

Risks run high amid Europe's bumper grain crop, Page 8

Austria	Stk. 10	Indonesia	Rs. 220	Portugal	Ecu 80
Bahrain	Dr. 6,650	Iraq	Dr. 1,120	S. Africa	Nt. 6,00
Belgium	Fr. 67,38	Japan	Yen 750	Singapore	S\$ 4,10
Canada	C\$2,00	Jordan	Pts 200	S. Korea	Pts 100
Cyprus	Mfr. 500	Kuwait	Fr. 500	Sri Lanka	Rup 30
Denmark	DKr. 7,25	Liberia	Dr. 6,00	Sudan	Dr. 6,50
Egypt	Dr. 1,25	Malta	Dr. 2,00	Tunisia	Dr. 6,50
Finland	Fr. 5,50	Morocco	Dr. 4,25	Venezuela	Dr. 2,25
France	Fr. 8,00	Moscow	Pts. 200	Yemen	Yen 500
Germany	DM 2,20	Munich	Dr. 6,00	Zambia	L 160
Greece	Dr. 60	Netherlands	Dr. 2,50	Zimbabwe	Dr. 6,00
Hong Kong	HK \$12	Romey	Rs. 1,00	Zimbabwe	Dr. 6,00
India	Rs. 15	Philippines	Pes. 20	U.S.A.	\$1,50

FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

No. 29,408

Wednesday August 29 1984

D 8523 B

NEWS SUMMARY

GENERAL

Indians shun S. Africa election

South Africa's Indian community turned out in unexpectedly low numbers for elections that will affect them as also the coloured (mixed-race) population. A limited voice in the previously all-white parliament.

Police used tear gas and baton charges to combat demonstrators protesting against the exclusion of the country's black majority from the new constitutional framework.

Reserve Bank Governor Gerard de Kock meanwhile said recession would continue and inflation accelerate in the short term. Page 10

Mondale in talks

Walter Mondale sought to broaden the base of his presidential campaign during meetings with two previous White House contenders, John Anderson and the Rev Jesse Jackson. Page 4

Sikhs defy ban

Sikh religious leaders vowed to defy a government ban and hold a world Sikh convention in their holy city, Amritsar, next Sunday.

Mine at risk

The Polkemmet mine in Scotland appears doomed to close because of flooding after the withdrawal of safety cover by miners. Page 2

Diaries trial reopens

The judge at the Hamburg trial of two men accused of forging Adolf Hitler's diaries rejected a defence claim that the defendants would not get a fair trial and reopened hearings. Page 2

Anti-nuclear Bill

West Germany's radical Greens Party published a draft Bill demanding the closure of all nuclear power plants in the country within six months. The Bill is expected to be debated after Parliament returns in September.

Export optimism

West German business confidence, badly shaken by the damaging strike wave in the spring, has largely recovered again and there is particular optimism about export prospects. Page 2

Bank siege

West German police prepared for a long siege at a Düsseldorf bank where two armed men were holding the manager hostage.

Japan earthquake

A severe earthquake, registering 6.1 on the Richter scale, hit a series of small islands near Okinawa, south Japan.

Iraq poll postponed

Iraq's Revolutionary Command Council decided to postpone general elections due on September 20 for a month. No reason was given.

BBC strike

About 500 workers at the British Broadcasting Corporation World Service walked out for 24 hours in protest against terms of employment, union officials said.

Atlantis 'find'

Soviet scientists have dredged sand and silt deposits from the floor of the northern Atlantic Ocean, which they believe may be remains of the lost continent of Atlantis. This reported.

Golfers' handicap

Afghanistan's only golf course has become so dangerous that the United Nations has declared it out of bounds to its employees.

BUSINESS

Eurobond debut for Moscow Narodny

MOSCOW NARODNY, Soviet-owned London bank, made its debut in the Eurobond market with a floating-rate note issued through Moscow Narodny Finance. Page 28.

DOLLAR improved slightly in London to DM 2,875 (DM 2,875), FF 8,625 (Fr. 8,6215) and £241.05 (SwF 2,301). On Bank of England figures, its trade-weighted index rose to 138.5 from 136.1. It closed in New York at DM 2,8705, Fr. 8,6235, SwF 2,395 and Yen 241.45. Page 27

STERLING was firmer in London, rising 40 points to £1.3105. It also improved to DM 3.775 (DM 3.75), FF 11.58 (Fr. 11.53), SwF 3,1375 (SwF 3,125) and Yen 18.0 (Yen 15.0). Its trade-weighted index was 78.1 against 77.8 previously. Its New York close was £1.311. Page 27

GOLD rose \$0.25 on the London bullion market to \$350.50. In Frankfurt and Zurich it closed at \$349.75. In New York, the Comex August settlement was \$348.7. Page 26

COFFEE prices rose on the London futures market after a cold snap in Brazil at the weekend damaged part of next year's crop. The November futures position, which had opened at £2,454 a tonne, ended £6.50 up at £2,464 a tonne. Page 26

WALL STREET: The Dow Jones industrial average closed 4.19 up at 1,232.11. Section II

LONDON shares were subdued ahead of further possible labour unrest and the FT Industrial Ordinary index slipped 4.2 to 832.4. Section II

TOKYO: Nikkei-Dow Jones average closed 6.47 higher at 16,575.19, its sixth successive rise. Section II

EBC: Inflation fell in July to 7.1 per cent, a level not seen since the first oil price shock in 1973, the EEC statistical office said. Page 10

FRENCH wines and spirits exports benefited from a record boost in the first half of the year, helped by the strength of the U.S. dollar. Page 3

HONG KONG'S economic growth this year is expected to exceed the 6 per cent forecast in April, largely because of a strong rise in exports. Page 4

OSBORNE COMPUTER, California-based personal computer maker that went bankrupt last year, is planning a public offering of 5m shares at \$1 a share while still operating under Chapter 11 of the U.S. bankruptcy code. Page 13

SOTHEBY'S, London fine art auctioneers bought by American Alfred Taubman, said day-to-day running was to be resumed by its British directors.

RANK OF MONTREAL third-quarter profits fell to C\$63.5m, or 71 cents a share, against C\$72.2m or C\$1.07 a share. Page 13

INTERNATIONAL THOMSON, Canadian publishing, travel and entertainment group, lifted net income to C\$2.4m (US\$6.1m) in the first half of 1984 from C\$2.0m a year ago, partly because of a C\$1m profit from the sale of Reuters shares. Last Page 10, Details, Page 13

KAISER CEMENT, U.S. cement manufacturer and distributor, has written off its 36 per cent interest in China Cement of Hong Kong, which will result in a net loss of about \$50m for the third quarter. Page 13

Today's international edition is published in two sections, reflecting the seasonal reduction in publication. Companies and Markets are combined in Section II.

Production difficulties in London may have resulted in typographical errors in unit trusts, some advertisements and elsewhere in today's edition.

Continued on Page 10

Sinking of uranium ship may raise questions over precautions

BY DAVID MARSH IN PARIS

FRANCE AND BELGIUM intensified consultations yesterday over Saturday's sinking of a uranium-carrying French cargo ship off the Belgian coast. The sinking seems certain to raise questions over security precautions governing international transport of nuclear materials.

The French and Belgian governments have minimised the danger of pollution from the shipwreck, but a leading French nuclear industrialist acknowledged yesterday that the Mont Louis's collision with a West German-registered ferry was bound to have a "psychological" effect, increasing public disquiet over radiotoxicity of radioactive substances.

M Guy Lengagne, the French Sea Minister, visited the Belgian port of Ostend yesterday for talks with Bel-

gian officials. French and Belgian naval vessels were on standby around the shipwreck, 18 km off the Belgian coast, to warn off Channel shipping and monitor the seawater for possible contamination.

So far, the 30 m-long steel cylinder containing a total of 225 tonnes of uranium hexafluoride (UF6) bound for the Soviet Union are believed to be undamaged. Compagnie Générale Maritime, the French shipping company that owns the vessel, signed a contract on Monday with two specialist Belgian and Dutch companies to salvage the containers.

Driving is expected to start almost immediately but recovery might take a few weeks.

The French nuclear industrialist, speaking privately, said the Mont

Louis accident was "nothing". He was more worried, he said, about leakage of oil from the ship's fuel tanks than the dangers of sea contamination from uranium or the toxic hydrofluoric acid, which would result from contact of the UF6 with water.

He agreed that newspaper coverage of the mishap would increase unease about nuclear sea transport at a time when French anti-nuclear groups were already protesting about a planned shipment involving far greater potential hazards. That is a consignment to Japan later this year of plutonium from the La Hague nuclear reprocessing complex in north-west France.

Belgian authorities yesterday played down reports of delays in

notifying the toxic nature of the Mont Louis cargo. The Government said the governor of the province of West Flanders had been informed on Saturday night that the ship was carrying UF6.

None the less, lack of information over the vessel's contents seems to have added to confusion immediately after the collision.

Cogema, the French state-owned nuclear materials group, said the shipment was part of regular consignments of UF6 to the Soviet Union on the Le Havre-Siga line.

About 2,500 containers have been sent to Russia for enrichment in the Soviet Union since France signed long-term uranium contracts with the Soviet organisation Technobexport in 1973. Cogema said yesterday

that Saturday's was the first reported accident.

The contracts, initially for about 700,000 separative work units (SWUs) a year (enough to enrich uranium for the annual needs of about six 900 MW pressurised water reactors), were scaled down last year because of the world nuclear slowdown and substantial overcapacity in France's civil enrichment facility, Eurodif, in the Rhône valley.

Since the beginning of 1983, the Swedish nuclear industry has been using a specially reinforced ship, Sigyn, to transport the highly radioactive plutonium-containing waste left after burning off uranium fuel, which is considerably more toxic than unburnt uranium and which poses certain hazards of nuclear weapons proliferation.

business with U.S. utilities over the past year, profiting from the strength of the dollar to offer contracts well below prices from the U.S. Department of Energy.

Until the Mont Louis sinking, controversy in France over sea transport of nuclear materials has centred primarily on radioactive waste sent to the La Hague complex from Sweden and Japan.

Since the beginning of 1983, the Swedish nuclear industry has been using a specially reinforced ship, Sigyn, to transport the highly radioactive plutonium-containing waste left after burning off uranium fuel, which is considerably more toxic than unburnt uranium and which poses certain hazards of nuclear weapons proliferation.

Strike halts less than half of UK docks trade

BY OUR INDUSTRIAL AND LABOUR STAFF

A CONFUSING DAY of mass meetings in many of Britain's ports yesterday failed to produce total support for the dockers' strike of the summer.

By last night, the dockers' union had opened only in halting ports that normally handle a total of 45 per cent of the UK's seaborne trade.

Dockers at five important ports, including Southampton and Cardiff, voted to join the strike, called by the Transport and General Workers Union (TGWU) last Friday. Men at Grimsby and Immingham on Humberside, who had voted overwhelmingly against a strike on Sunday,

had last night, in halting ports that normally handle a total of 45 per cent of the UK's seaborne trade.

Mr Ridley said that an attempt to force dockers to go on strike against their will in a bid to wreck the economy and "smash the Government" would not be allowed to succeed.

The minister accused those striking to achieve a national docks strike of adopting the "communist line". He spoke after conferring with senior colleagues on the Cabinet committee responsible for overseeing the arrangements for dealing with the implications of the disruption in the coalfields and in the docks.

The ministers later reported to Mrs Margaret Thatcher, the Prime Minister. It was Mrs Thatcher's first working day since her return from a Swiss holiday and Mr Ridley's comments were said to reflect her determination to ensure that any challenge to the Government's authority by militancy and unrepresentative union leaders should not succeed.

The minister accused those striking to achieve a national docks strike of adopting the "communist line". He spoke after conferring with senior colleagues on the Cabinet committee responsible for overseeing the arrangements for dealing with the implications of the disruption in the coalfields and in the docks.

Mr Ridley said that an attempt to force dockers to go on strike against their will in a bid to wreck the economy and "smash the Government" would not be allowed to succeed.

Some dockers then went home or joined picket lines at the port entrances, but many others returned to work.

Coal dispute, Page 2; Editorial comment, Page 8



Paris steps up soft loans for industry

By David Housego in Paris

THE FRENCH Government yesterday announced a fresh increase in subsidised loans to boost industrial investment.

The move runs counter to the avowed intentions of Prime Minister Laurent Fabius's new administration: to reduce aid to industry while cutting its tax burden. Officials, however, justified it yesterday by saying it was needed to satisfy industry's growing long-term credit requirements while investment was picking up but companies' cash position, although improving, was inadequate to bear the financing load itself.

French industry is among the most heavily subsidised and regulated in Western Europe. The aim of M Fabius and M Pierre Bérégovoy, his Finance Minister, is to reduce government intervention and cut industrial subsidies and taxes as part of a liberalisation of the economy. The shift in policy had already been initiated by M Jacques Delors, the former Finance Minister.

The new measures will provide industry with a further FF 5bn (£381m) of soft loans this year in addition to the FF 45bn already authorised. In an effort to reverse the recent lengthy decline in French industrial investment, this year's allocation was already sharply up on the FF 35bn authorised last year.

In 1983, French private and public-sector industry invested a little over FF 100bn in fixed capital formation.

Some dockers then went home or joined picket lines at the port entrances, but many others returned to work.

Coal dispute, Page 2; Editorial comment, Page 8

Continued on Page 10

Fabius profile, Page 2

PRESSURE TO RESIGN

EUROPEAN NEWS

Confidence returns as output rises in West Germany

BY JONATHAN CARR IN BONN

WEST GERMAN business confidence, which was badly shaken by the damaging strike wave in the spring, has largely recovered and there is particular optimism about export prospects.

The Ifo economic research institute notes that industry had stepped up production—partly with overtime work—to cope with the wave of demand in July which followed the strikes. Further production increases are planned for the coming months.

In its latest survey of business opinion released today, Ifo states that there is greater optimism not least in the key capital goods sector. Orders in hand have increased and business expectations for the next six months improved markedly.

The mechanical and electrical engineering industries, and makers of consumer durables, are among those expecting foreign sales to rise further. Even manufacturers in the long-distance commercial vehicles sector see chances of increased exports.

If's report comes at a time of growing debate about whether the country's economic recovery may already be flagging, after the 1.3 per cent

economic growth rate in real terms achieved last year.

Apart from the economic setbacks caused by the strikes in the printing and metal-working sectors, there is worsening news from the building industry with dwindling orders and more layoffs expected.

Mr Kyprianou, who arrived here yesterday, will hold joint consultations with Mr Constantine Karanias, the Greek President, and Mr Andreas Papandreou, the Prime Minister, today.

Yesterday Mr Papandreou met opposition Conservative and Communist leaders in an effort to hammer out a policy line on Cyprus, which would be backed by all political parties in both Athens and Nicosia.

The EEC also notes that foreign demand for West German goods is much stronger than anticipated. In the first seven months exports were up by 12 per cent against the same period of 1983, and in July alone up by 19 per cent.

Moreover, the inflation rate is falling sharply. The current rate of consumer prices this month is expected to be only about 1.6 per cent above the level of August last year. This would be the first time for 16 years that inflation, at an annual rate, has sunk below the 2 per cent mark.

E. European leaders plan autumn visits to Bonn

BY LESLIE COLLIETT IN BERLIN

TWO WEST European leaders are to visit West Germany in autumn despite a continuing barrage of accusations against the Bonn Government by the Soviet Union.

Mr Todor Zhivkov, the Communist Party leader and President of Bulgaria, one of Moscow's most devoted East European allies, is to visit Bonn from September 19 to 22. He will be followed in mid-October by Mr Nicolae Ceausescu, the Romanian leader.

East Germany's main communist newspaper displayed a report about Mr Ceausescu's forthcoming visit to West Germany on its front page, instead of inside the newspaper because it is normally done with such items.

East European diplomats said this could be seen as hint by East Germany that its leader, Herr Erich Honecker, would also like to go ahead with his planned visit to West Germany late next month.

Herr Honecker, whose Govern-

ment has been obliquely criticised by Moscow for exposing itself to alleged West German attempts to subvert East Germany, was the only East European leader last week to attend communist Romania's 40th anniversary celebrations.

In a recent interview the East German President said his country would continue its dialogue with West Germany.

In an indirect reply to Soviet criticism that East Germany was in danger of being usurped by West German advocates of reunification, Herr Honecker noted drily that Moscow had accepted the West German Foreign Minister's letter on "German unity" in its 1970 treaty with Bonn.

Czechoslovakia's leader, Mr Gustav Husak, yesterday renewed charges by hardline Warsaw Pact governments of West German "revisionism" in an article in the Soviet communist newspaper Pravda.

As a general framework for a settlement, Sr Perez de Cuellar is understood to have proposed a bi-zonal federal state, as agreed in summit meetings in 1977 and 1979.

In his first declaration to the National Assembly last month, M. Fabius put the emphasis on sobriety and promised "one thing to the French people—I

will tell you the truth." It was an indication that his predecessor, M. Pierre Mauroy, who habitually brimmed over with bonhomie on the eve of austerity announcements, did not always do the same.

Employers' representatives

have been impressed by the Government's "new tone." While avoiding promises, M. Fabius (right) has put the accent on less state interference, and action to boost industry's profits and speed up investment. But he will have only a limited prime ministerial honeymoon. As M. Bergeron has said, M. Fabius' agreeable manners will not suffice—"it is necessary to wait for his actions."

In view of this month's staff warning from the Organisation for Economic Co-operation and Development that the Government can do little to stop a further steady rise in unemployment in the next 18 months, the actions are not expected to be particularly pleasant.

Already the Government has been keeping with the shadowy political base through which M. Mitterrand has asked him to tred. M. Fabius remains a mystery figure for most of the French electorate.

During his first month in power, he has given the Socialist government a new *leitmotif*. A far cry from the self-confident tub thumping of summer 1981, a new call has gone out for the nation to rally together to push through painful but necessary industrial restructuring.

● The re-opening of Nicosia international airport, which is in no-man's land at the moment, under UN command for use by the Greek Cypriots and Turkish Cypriots.

As a general framework for a settlement, Sr Perez de Cuellar is understood to have proposed a bi-zonal federal state, as agreed in summit meetings in 1977 and 1979.

In his first declaration to the National Assembly last month, M. Fabius put the emphasis on sobriety and promised "one thing to the French people—I

will tell you the truth." It was an indication that his predecessor, M. Pierre Mauroy, who habitually brimmed over with bonhomie on the eve of austerity announcements, did not always do the same.

Employers' representatives

have been impressed by the Government's "new tone." While avoiding promises, M. Fabius (right) has put the accent on less state interference, and action to boost industry's profits and speed up investment. But he will have only a limited prime ministerial honeymoon. As M. Bergeron has said, M. Fabius' agreeable manners will not suffice—"it is necessary to wait for his actions."

In view of this month's staff warning from the Organisation for Economic Co-operation and Development that the Government can do little to stop a further steady rise in unemployment in the next 18 months, the actions are not expected to be particularly pleasant.

Already the Government has been keeping with the shadowy political base through which M. Mitterrand has asked him to tred. M. Fabius remains a mystery figure for most of the French electorate.

During his first month in power, he has given the Socialist government a new *leitmotif*. A far cry from the self-confident tub thumping of summer 1981, a new call has gone out for the nation to rally together to push through painful but necessary industrial restructuring.

● The re-opening of Nicosia international airport, which is in no-man's land at the moment, under UN command for use by the Greek Cypriots and Turkish Cypriots.

As a general framework for a settlement, Sr Perez de Cuellar is understood to have proposed a bi-zonal federal state, as agreed in summit meetings in 1977 and 1979.

In his first declaration to the National Assembly last month, M. Fabius put the emphasis on sobriety and promised "one thing to the French people—I

will tell you the truth." It was an indication that his predecessor, M. Pierre Mauroy, who habitually brimmed over with bonhomie on the eve of austerity announcements, did not always do the same.

Employers' representatives

have been impressed by the Government's "new tone." While avoiding promises, M. Fabius (right) has put the accent on less state interference, and action to boost industry's profits and speed up investment. But he will have only a limited prime ministerial honeymoon. As M. Bergeron has said, M. Fabius' agreeable manners will not suffice—"it is necessary to wait for his actions."

In view of this month's staff warning from the Organisation for Economic Co-operation and Development that the Government can do little to stop a further steady rise in unemployment in the next 18 months, the actions are not expected to be particularly pleasant.

Already the Government has been keeping with the shadowy political base through which M. Mitterrand has asked him to tred. M. Fabius remains a mystery figure for most of the French electorate.

During his first month in power, he has given the Socialist government a new *leitmotif*. A far cry from the self-confident tub thumping of summer 1981, a new call has gone out for the nation to rally together to push through painful but necessary industrial restructuring.

● The re-opening of Nicosia international airport, which is in no-man's land at the moment, under UN command for use by the Greek Cypriots and Turkish Cypriots.

As a general framework for a settlement, Sr Perez de Cuellar is understood to have proposed a bi-zonal federal state, as agreed in summit meetings in 1977 and 1979.

In his first declaration to the National Assembly last month, M. Fabius put the emphasis on sobriety and promised "one thing to the French people—I

will tell you the truth." It was an indication that his predecessor, M. Pierre Mauroy, who habitually brimmed over with bonhomie on the eve of austerity announcements, did not always do the same.

Employers' representatives

A former chairman of a nationalised bank, who had a prime view of M. Fabius' governmental apprenticeship, says: "He has a marvellous brain—but his ideas were entirely theoretical three years ago. Now he says serious things about serious matters."

He has also learned—particularly during his previous 16-month spell as Industry Minister when he was sometimes accused of dodging responsibility—the value of discretion as a means of working with maximum efficiency and minimum adverse publicity.

The discretion extends to his collaborators. The Fabius-style Matignon will be tightly managed to prevent unwanted "leaks" and harmonise the flow of information from other ministries. "We no longer talk so much about principles, but about solutions," says one official.

M. Fabius' problem is that his carefully-nurtured image of technocratic modernity may start to look like a gimmick unless he produces economic results.

For the moment, the opposition, although muttering about "window-dressing" and "trompe-l'oeil," has had the wind taken out of its sails by a man who appears to espouse many of their economic policies.

And many voters—who M. Fabius believes are increasingly ready to break out across the traditional Left-Right divide—could be attracted by the appeal of the middle ground.

Consensus politics in France, however, can be a dangerous game. If M. Fabius succeeds, he could provide the means to launch M. Mitterrand—and France—to a new social democratic course. If he fails, he may still go down in history as modern France's youngest Prime Minister.

Under this, plans for cutting the pension rights of people reaching retirement would be delayed for another year, with the cost being met by the state and by contributors.

The negotiations, which have also focused on union proposals for a jointly-financed "solidarity fund" for employment, are due to resume tomorrow.

has not shown a corresponding decline. It fell by only 4,600 (8.6 per cent) to 252,100 in June from a year earlier.

However, there has been an unexpectedly strong recovery in demand since the summer of last year. First half retail sales in volume terms were about 4 per cent higher than last year. New car registrations increased by 13 per cent and housing starts rose by 8 per cent.

The volume of deliveries by the manufacturing industry in the second quarter was up by 8 per cent from the same period last year.

The main reason for official caution is that unemployment

David Marsh profiles France's youngest Prime Minister for almost 170 years

Fabius leads the assault on the middle ground



Employers' representatives have been impressed by the Government's "new tone." While avoiding promises, M. Fabius (right) has put the accent on less state interference, and action to boost industry's profits and speed up investment. A new call has gone out for the nation to rally together to push through painful but vital industrial restructuring.

provinces this month have been mainly staged to drive home an appeal to the French people's legendary fondness of common sense. M. Fabius does not go in for the good-natured disorganised hand-shaking rambles which marked the style of M. Mauroy. Instead, brisk inspection tours by helicopter are the order of the day.

At Toulon in the south of France M. Fabius used a ceremonial address marking the 40th anniversary of the Allied and French landings in Provence to underline the message that "France is never so strong than when it is united."

In Normandy too of high technological installations, he stressed the importance of computers and developments like the Ariane space programme in the "modernisation" of France.

During his first month in power, he has given the Socialist government a new *leitmotif*. A far cry from the self-confident tub thumping of summer 1981, a new call has gone out for the nation to rally together to push through painful but necessary industrial restructuring.

● The return of Greek Cypriot refugees to seven areas of the occupied port city of Famagusta under a transitional UN administration.

● The re-opening of Nicosia international airport, which is in no-man's land at the moment, under UN command for use by the Greek Cypriots and Turkish Cypriots.

● The setting up of a transitional government on the island.

● The return of Greek Cypriot refugees to seven areas of the occupied port city of Famagusta under a transitional UN administration.

● The re-opening of Nicosia international airport, which is in no-man's land at the moment, under UN command for use by the Greek Cypriots and Turkish Cypriots.

● The setting up of a transitional government on the island.

● The return of Greek Cypriot refugees to seven areas of the occupied port city of Famagusta under a transitional UN administration.

● The re-opening of Nicosia international airport, which is in no-man's land at the moment, under UN command for use by the Greek Cypriots and Turkish Cypriots.

● The setting up of a transitional government on the island.

● The return of Greek Cypriot refugees to seven areas of the occupied port city of Famagusta under a transitional UN administration.

● The re-opening of Nicosia international airport, which is in no-man's land at the moment, under UN command for use by the Greek Cypriots and Turkish Cypriots.

● The setting up of a transitional government on the island.

● The return of Greek Cypriot refugees to seven areas of the occupied port city of Famagusta under a transitional UN administration.

● The re-opening of Nicosia international airport, which is in no-man's land at the moment, under UN command for use by the Greek Cypriots and Turkish Cypriots.

● The setting up of a transitional government on the island.

● The return of Greek Cypriot refugees to seven areas of the occupied port city of Famagusta under a transitional UN administration.

● The re-opening of Nicosia international airport, which is in no-man's land at the moment, under UN command for use by the Greek Cypriots and Turkish Cypriots.

● The setting up of a transitional government on the island.

● The return of Greek Cypriot refugees to seven areas of the occupied port city of Famagusta under a transitional UN administration.

● The re-opening of Nicosia international airport, which is in no-man's land at the moment, under UN command for use by the Greek Cypriots and Turkish Cypriots.

● The setting up of a transitional government on the island.

● The return of Greek Cypriot refugees to seven areas of the occupied port city of Famagusta under a transitional UN administration.

● The re-opening of Nicosia international airport, which is in no-man's land at the moment, under UN command for use by the Greek Cypriots and Turkish Cypriots.

● The setting up of a transitional government on the island.

● The return of Greek Cypriot refugees to seven areas of the occupied port city of Famagusta under a transitional UN administration.

● The re-opening of Nicosia international airport, which is in no-man's land at the moment, under UN command for use by the Greek Cypriots and Turkish Cypriots.

● The setting up of a transitional government on the island.

● The return of Greek Cypriot refugees to seven areas of the occupied port city of Famagusta under a transitional UN administration.

● The re-opening of Nicosia international airport, which is in no-man's land at the moment, under UN command for use by the Greek Cypriots and Turkish Cypriots.

● The setting up of a transitional government on the island.

● The return of Greek Cypriot refugees to seven areas of the occupied port city of Famagusta under a transitional UN administration.

● The re-opening of Nicosia international airport, which is in no-man's land at the moment, under UN command for use by the Greek Cypriots and Turkish Cypriots.

● The setting up of a transitional government on the island.

● The return of Greek Cypriot refugees to seven areas of the occupied port city of Famagusta under a transitional UN administration.

● The re-opening of Nicosia international airport, which is in no-man's land at the moment, under UN command for use by the Greek Cypriots and Turkish Cypriots.

● The setting up of a transitional government on the island.

● The return of Greek Cyp

WORLD TRADE NEWS

Surge in dollar brings record for French wine exports

BY DAVID HOUSEGO IN PARIS

THE STRENGTH of the U.S. dollar has contributed to a record boost in exports of French wine and spirit.

According to the French association of wine and spirit exporters, foreign sales rose by 22 per cent in the first six months of the year to FFr 95bn (£7.9bn) compared with the first half of the year.

The sharpest rise was in the U.S. which now accounts for almost a quarter of French wine and spirit exports and where French producers have benefited from the sharp fall in the value of the dollar over the last four years.

French sales to the U.S. rose by 41 per cent in the first half to FFr 2.1bn with champagne exports up in value by 84 per cent to FFr 354m and in volume by 34 per cent to 35,900 hectolitres.

The record increase in wine and spirit exports has mainly affected the high quality French products—champagne, brandy and Bordeaux and Burgundy wines.

But it comes at a time when the lower-range table wine producers of the mid-range are also making a major effort to boost their revenues by export sales.

In recent years they have lost ground abroad to the more aggressive marketing of Italian wine producers.

Indian groups sign pacts for projects in Iran

BY K. K. SHARMA IN NEW DELHI

A NUMBER of agreements have been reached or are being discussed between Indian and Iranian companies on establishing industrial projects in Iran. They are expected to raise substantially the value of capital goods and engineering goods exports to Tehran.

Iran's Towti will have signed an agreement with Escorts of India for setting up a plant for the manufacture of shock absorbers and is negotiating with Hindustan Machine Tools for shipments of machines for other plants.

India's Kamani Engineering Corporation, which is already setting up a major project in Northern Iran, is now negotiating for establishment of a transmission towers project at Avangan.

U.S. safety officials threaten new curbs on stretched system

BY LYNTON McLAIN

AIRLINE managements, facing a world of great uncertainty, are making commitments to air craft more on financial criteria than on safety, marketing basis or on the basis of copying other airlines, as in the 1960s and early 1970s. Dr Julius Maldutis, vice-president of Salomon Brothers, told aerospace industry leaders in London yesterday.

"If financial and profit criteria are now playing a much larger role in aircraft decisions, then the classic boom-and-bust periods that airlines and makers were subject to will moderate, if not disappear altogether," he told the FT conference on World Aerospace: After the Recession.

Technological revolutions and energy crises had raised the threshold of uncertainty, but "changing nature of competition" had made the industry even more unpredictable, Dr Maldutis said.

U.S. airline deregulation in 1978 spawned 28 new airlines, but one-third of the airlines created since deregulation have ceased operation.

The remaining airlines "stretched to its outer limits" of its system that safety regulators "are again threatening to impose flight restrictions at the five major U.S. air centres."

Already there are "loud whispers" of the need to establish the mandatory controls on flight frequencies, he said. This would be a first step back to regulation.

"The world is starting to experiment with the U.S. deregulation revolution, the U.S. may already be moving in exactly the opposite direction."

In the U.S., the equity markets are no longer willing to finance the creation of new companies nor to finance the airlines that survive." Dr Maldutis said that, for all practical purposes, the institutional equity market for new airlines "no longer exists."

Equity investors will not finance new low-cost low-fare airlines until their portfolios have shown a significant recovery. Bankruptcies have become the rule rather than the exception," he said. "Several well-known U.S. carriers are close to the brink."

He forecast that assets from

U.S. to help China design biggest hydro-dam

THE U.S. and China have signed an agreement under which the U.S. Interior Department will help China design the world's largest hydro-electric project.

French exports worth FFr 1.3bn. Exports to Britain rose by 21 per cent in the first six months of the year.

Champagne sales to Britain showed only a modest 6 per cent increase, while spirits, notably brandy, fell. Sales of Appellation d'Origine Contrôlée (AOC) wines rose by 22 per cent while exports of the cheaper table wines also rose by a similar amount.

The wine producers now expect that exports this year will top last year's record FFr 1.5bn. At the half-way mark last year, exports totalled only FFr 7.7bn.

The second half of the year is traditionally the period when sales are greatest.

After Britain, West Germany is the second largest European importer of French wines, absorbing 13.4 per cent of French exports.

Though overall exports to West Germany were up by only 11 per cent, the West Germans are becoming increasingly avid drinkers of French champagne. Champagne exports in the period rose by 35 per cent.

In the U.S. market sales of Bordelais wines rose by 104 per cent to FFr 202m, while white burgundy sales rose by 28 per cent to FFr 219m.

Pirelli Soviet deal

Pirelli, the Italian cable and tyre group, yesterday won a \$20m (£15.3m) contract to build a tractor component factory in the Soviet Union. Alan Friedman reports from Milan.

The agreement calls for Pirelli to provide the Soviet Union with machinery, know-how, engineering training and technical assistance for the construction of a specially transmission belt plant. The plant will manufacture belts for heavy agricultural machinery, including tractors.

A second agreement reached yesterday between Pirelli and the Russians involves the licensing of Pirelli technology for automotive belts.

R-R engine order

Rolls-Royce has won a £15m order to supply engines for Dutch frigates, Our Trade Staff writes. The Spey marine gas turbines are for a new class of multi-purpose frigates for the Royal Netherlands Navy.

The contract follows the announcement earlier this year of an Anglo-Dutch agreement to order Spey units in return for the purchase by the Royal Navy of the Dutch Goalkeeper rapid-firing close-in weapons system.

Telephone contract

Telephone Cables of Dagenham has won a turnkey contract worth £5m from the Botswana Telecommunications Corporation, Our Trade Staff reports.

Over three years, TCC will complete surveys in northern and southern Botswana for the supply, installation and commissioning of local telephone cable networks.

FINANCIAL TIMES AEROSPACE AFTER THE RECESSION CONFERENCE

that their true market was the world, Mr Marshall said. "We may not always like it that way but if we try to sit at home, the competition has a bad way of coming to get us. No matter what favours a government may grant us or anyone else, ultimately, the passengers will vote with their feet and that is how it should be."

"You cannot legislate success, only enhance it." He warned that there was still a major shortage of smart young generals who can wade through the techniques and technicalities and make good strategic decisions, with more successful than unsuccessful outcomes."

He estimated that the international scheduled services produced profits, after interest payments, of \$1bn (£763m) a considerable improvement on last year but only about 2.5 per cent of turnover on these services.

Furthermore, the growth seen is uneven, Mr Marshall said. "Some areas, such as the Middle East and Asia, are moving ahead quite briskly, Latin America and Africa are very mixed while Europe and North America are essentially hard at work trying to recover the financial ground lost during the recession." He warned that "though growth patterns overall are improving, the recent surge may be over."

The main problem with dealing with economic downturn has been keeping costs under control. A European Commission study showed that, in Europe, airlines are only able to control 40 per cent of their costs. "The remaining 60 per cent depend on the whims of governments, the world markets and unions."

"I cannot stress strongly enough that, even if the economy does pick up, the fight by the airlines to keep down controllable costs must go on. Any hope of sustaining even modest profitability and keeping the airline product affordable hinges on staying lean," Mr Marshall told the conference.

Mr Colin Marshall, the chief executive of British Airways, told delegates that the state-owned airline, shortly to be sold to the private sector, had "surprises in store for our customers as well as for our competitor." Airlines found increasingly

High-stakes aluminium gamble in Brazil

BY ANDREW WHITLEY IN RIO DE JANEIRO

THE ALUMINIUM industry always was one for the gamblers. Never more so than today in Brazil where the multinationals and the nationally owned companies alike are piling in additional capacity as if there were no excess already on world markets.

What they are gambling on is that by the 1990s the world price for aluminium ingots will have recovered to the point at which a decent return on their investment can be assured.

With billions of dollars sold, the game is all about market shares and comparative cost advantage.

What is already clear is that world production of alumina and aluminium is moving inexorably towards three countries: Canada, Australia and Brazil.

All three have abundant bauxite and cheap energy, with Brazil offering, in addition to a large internal market with much more potential for growth than the others.

In 1982 Brazil, with a population of 125m, consumed only 2.5 kilos per capita. By comparison, consumption in the U.S. was nearly 24 kilos, West Germany 19.5, and Japan 18.

But privately owned companies do not spend over \$1.2bn (£916m), as Alcoa and Shell have just done on Alumar, their recently inaugurated alumina-aluminium complex at São Luis on Brazil's north-east coast, on the basis of hope alone.

It has a fully-integrated

operation based in three states—Maranhão, Ceará, Bahia and São Paulo—and a commanding 40 per cent share of the profitable

One excellent reason for domestic market for fabricated products should be on stream.

Its main rival within Brazil is CBA, part of the Veterans group. Brazil's largest private industrial concern, CBA is a very well integrated, financially sound company with virtually no debt," Mr Tom Pickard of Alcan said admiringly.

Before Alumar came on

under construction, or planned,

considerably above Canada's rates.

Even with a reasonably fast

domestic recovery, Brazil will

have an additional 600,000 tonnes of aluminium ingot avail-

able for export by late 1986.

By 1988, when installed

capacity is likely to have

reached 1.2m tonnes, that sur-

plus will have risen by a third

again—to 3.6m tonnes.

These forecasts mean that

within two years, Brazil will be

second only to Canada as an ex-

port nation above the U.S.

With the world ingot price

currently languishing around

\$1,100 a tonne and new projects

needed around \$2,400 a tonne

to produce an adequate return

on investment, costs have to be

shaved all along the production

line.

Despite the mushrooming of

alumina and aluminium plants

around Brazil, none of the six

group's four foreign-owned

two nationalised and concerned

about the prospect of over-

capacity in Brazil itself, or the

wisdom of their own expansion

plans.

Provided costs remain

roughly the same as today, they

agree Brazil should remain a

highly competitive player in

this high stakes game.

Instead, the pressure will in-

crease on the older U.S. plants

which, as one expert says, can

not go on indefinitely taking the

heat. "Blood will be spilt,"

he forecasts but adds: "It won't

be in Brazil."

"The underlying fear of

the Japanese car makers is

that protectionism will in-

crease in the U.S. and hence

investment in assembly and

manufacturing operations in

that country is the long-term

target for all the major

producers."

The UK will also become an

increasingly important market

for Japanese KD kits, the EU

suggests, with the start-up in

two years of the Nissan

assembly plant and the further

expansion of BL's relationship

with Honda.

The Motor Business report is

a curtain-raiser for a new EU publication, Japanese Motor Business, to be published from September onwards in response to the widespread interest

in manufacturing operations in

that country for all the major

producers."

The EU forecasts that Japa-

nese car output will reach a

record 7.2m this year (up from

7.15m in 1983) and rise again

to 7.25m in 1985. The KD kits

are not counted in these totals.

Motor Business No 3, 1984

from EU, 27, St James's Place,

London SW1A 1NT.

Swiss Bank Corporation:

Three times a day, we bring an issue to market.

There are a number of reasons why so many borrowers ask us to market their new issues. First of all, professional design increases the ultimate success of the issue. Then there's our acknowledged placing power, and finally, our group's distribution capabilities are recognized as among the best, worldwide.

Dr Christian F. Pühr,

OVERSEAS NEWS

Beirut tensions ease as leaders prepare for cabinet meeting

BEIRUT — Street battles erupted yesterday in Beirut for the third consecutive day but political tension eased slightly when Prime Minister Rashid Karami said all Ministers would attend a cabinet meeting today.

After meeting Mr Walid Jumblatt, the Druze leader, and the Government's most outspoken critic, Mr Karami said: "We are all Ministers and will attend the session."

Mr Jumblatt said only that he would consult his ally and cabinet colleague Mr Nabih Berri, leader of the Shi'ite Moslem militia Amal, before deciding where to attend.

Mr Jumblatt has attacked President Anwar Gemayel and Christian Forces Party for refusing to discuss political reforms until the army deploys in Druze-held mountains.

The Beirut security plan is looking increasingly shaky. On Sunday, Christian and Moslem forces fought for four hours on the old "Green Line" across the city and on Monday gunmen began firing in a commercial area of mainly Moslem West Beirut after a man was kidnapped.

One man was killed and three were wounded early yesterday in clashes between rival Moslem militiamen. Security sources said the fighting began after a man was killed in a

ISRAELI JETS made a bombing raid on the village of Bar Elias in the Bekaa Valley in Lebanon, striking at a Palestinian guerrilla base at Maj al Anjar, the Israeli military command said. The pilots reported hits on their targets, and all aircraft returned safely to base, it said.

quarrel in a gambling club in West Beirut's Sabra district.

Alarmed at the slide towards anarchy, Mr Berri said yesterday: "We will not permit a new security explosion to occur in Beirut."

The cabinet has not yet sat since three days ago.

Mr Jumblatt's session is seen as a crucial test for Mr Karami's National Unity Government.

Syria, which has backed the cabinet during its four-month existence, also supports Mr Berri and Mr Jumblatt.

Mr Berri is said to support Mr Jumblatt's linkage of progress on security with starting work on a plan to give Moslems more administrative and political power. But Mr Shi'ite leader is said not to want a major political confrontation which might undo the peace efforts that halted sectarian fighting.

Reuter

Yamani to urge Malaysia to rein in oil exports

BY WONG SULONG IN KUALA LUMPUR

SHEIKH YAMANI, the Saudi oil minister, flew into Kuala Lumpur yesterday for a visit aimed at persuading Malaysia to scale down its rising oil exports as part of the attempt by the Organisation of Petroleum Exporting Countries to gain increased co-operation from non-Opec oil producers.

He met Dr Mohammad Mahathir, the prime minister, yesterday, and will meet Tun Hussein Onn, chairman of the National Oil Advisory Council, and senior oil officials today.

It is known that Opec members have been unhappy over Malaysia's oil production, which had risen from 303,000 barrels a day in 1982 to 450,000 barrels currently. About 370,000 barrels are exported.

Opec could increase its production capacity given the demand situation, but the Opec benchmark price for petroleum was expected to stay for some time, Sheikh Yamani told reporters on his arrival in Kuala Lumpur.

Earlier this week, Datuk Rastan Hadi, managing director of Petronas, Malaysia's national oil company, said Malaysia's oil output could be increased to 600,000 barrels a day within a year or two, although the Government had not made a decision on this.

Sheikh Yamani yesterday said Opec might consider raising its present oil production level during the last quarter of this year, AP-DJ adds.

In the longer term, export growth is likely to slow, the report says, largely because the 36 per cent surge in the real value of exports to the U.S. recorded in the first half of this year is likely to decelerate. The U.S. now accounts for 45 per cent of Hong Kong's exports by value.

Inflation is now running at less than 9 per cent, compared with 12 per cent at the end of 1983, while unemployment has fallen to 3.5 per cent, it said.

On the negative side, the report reflected the recent flight

'ANIMAL FARM' JIBE FROM SENIOR CIVIL SERVANT

Australian ministers angered by official's attack

BY MICHAEL THOMPSON-NOEL IN SYDNEY

MR PAUL KEATING, the Australian Treasurer, sought yesterday to neutralise the impact of a vigorous attack on Government economic policy by Mr John Stone, the outgoing Permanent Secretary of the Treasury Department, delivered in Perth on Monday.

Mr Keating said that Mr Stone, who is due to retire in two weeks' time, had "simply come to the end of the road."

He claimed that the last Government of Liberal Premier Mr Malcolm Fraser "wasn't listening to Mr Stone and we got to the stage where we were listening to him."

Mr Stone's scathing attack on economic development in Australia, and on some of the specific measures adopted by the current Labor Government of Prime Minister Bob Hawke, will however be gleefully quoted by

the Liberal-National opposition parties in the run-up to the general election widely expected at the end of this year.

Although still officially a civil servant, Mr Stone pulled no punches in his speech at the University of Western Australia in Perth.

In a thinly veiled attack on Mr Hawke, who came to power with a policy of consensus politics, he suggested businessmen should read "Animal Farm," the George Orwell novel in which well-meaning animals become controlled by pigs.

"They might thereby be reminded of the fate of all those other good-hearted and well-meaning animals—such as the old horse Boxer—who in a spirit of trust and, one might even say consensus, allowed the pigs under their charismatic leader Napoleon to lead them



Mr Paul Keating

forward through their advisory councils and the like to their

ultimate bitter end," Mr Stone said.

He also criticised the Government's employment and industrial policies, warned that Australia's debt burden was increasing too rapidly, described as "disgratifying" the current 25 per cent unemployment among 15 to 19 year olds.

Mr Stone said the Federal Government's borrowing requirement had risen in just two years from 0.9 per cent of Gross Domestic Product to 4.7 per cent, while Australia's total public sector borrowing requirement had doubled from 4 per cent of GDP to 8 per cent.

Moreover, while there is expected to be some reduction in both those figures in 1984/85, that will entirely result from the enormous one-off surge in

revenues which the budget will be experiencing this year," said Mr Stone.

However one looks at these developments, the inescapable conclusion is that they have reflected a failure on the part of successive governments to come to grips with the real problems confronting Australia for the past 15 years or thereabouts," he added.

Yesterday, Mr Ralph Willis, the Minister for Employment and Industrial Relations, said that Mr Stone's comments "were a disgrace for a man holding a position as head of the Treasury. They are malevolent comments and I believe he should resign immediately."

Senator Peter Walsh, Minister for Resources and Energy, added: "Ever since 1975 and the summer

economy, relative to other comparable countries, had performed very badly. It was during this period that Mr Stone was the dominant influence on economic policy-making in Australia.

"In the last 12 months, since his influence has been less dominant, we have moved from a period of low growth, high inflation, and rising unemployment, into a period of falling unemployment, a 50 per cent reduction in the inflation rate, and—above all—the highest growth rate in the Western world."

While it wouldn't be fair to attribute the failures of the previous seven years to Mr Stone, they did reflect, to a substantial degree, his view of economic management, claimed the minister.

Export rise improves Hong Kong's growth prospects

BY DAVID DODWELL IN HONG KONG

ECONOMIC GROWTH in Hong Kong is likely to be stronger this year than the 6 per cent forecast in April, largely because of a steep rise in exports, the Government said yesterday. In its half-yearly economic report it offered no revised forecast.

The report showed exports for the first six months of 1984 up by 25 per cent in real terms and imports up by a comparatively modest 19 per cent. The territory's visible trade gap narrowed to 5 per cent at the end of June, compared with 12 per cent at the same stage last year.

In the longer term, export growth is likely to slow, the report says, largely because the 36 per cent surge in the real value of exports to the U.S. recorded in the first half of this year is likely to decelerate. The U.S. now accounts for 45 per cent of Hong Kong's exports by value.

Inflation is now running at less than 9 per cent, compared with 12 per cent at the end of 1983, while unemployment has fallen to 3.5 per cent, it said.

The textile industry could be further "severely affected" by the recent tightening of rules on the export of textile goods to the U.S., the report says.

Soviet forces in offensive against Afghan guerrillas

BY K. K. SHARMA IN NEW DELHI

ISLAMABAD — A large Soviet helicopter fleet has left Kabul for south-eastern Afghanistan and between 12,000 and 14,000 Soviet troops are massed near the Pakistan border. Western diplomats said salvoes yesterday.

Nearly 50 MI-24 gunships and MI-6 and MI-8 troop transport helicopters left Kabul airport in the direction of Ghazni early last Thursday, they said, and helicopters continued to shuttle between the two cities on Friday.

Soviet and Afghan forces have been pressing hard in recent months to block guerrilla supply routes from Pakistan, with major ground pushes in the Kunar and Nangarhar provinces near the Khyber Pass and in Paktia to the south-east.

The Afghan cross-border attacks from Pakistan said killed 54 people, could have been in hot pursuit of rebels fighting at Ali Khel, according to reports from Afghan guerrillas.

The diplomats said Soviet troops had stepped up a campaign of burning and destroying crops. Agencies

Sikhs to hold banned convention

BY K. K. SHARMA IN NEW DELHI

AMRITSAR last June to flush out Sikhs terrorists greatly angered the religious community.

The ban on the convention was imposed following seizure of allegedly inflammatory posters and pamphlets by official agencies. This convinced officials that the convention would not be religious in nature, but used for political purposes.

The convention was banned by the Government on the grounds that it would inflame passions in the troubled state of Punjab, where army action in the Golden Temple in

Amritsar last June to flush out Sikhs terrorists greatly angered the religious community. The ban on the convention was imposed following seizure of allegedly inflammatory posters and pamphlets by official agencies. This convinced officials that the convention would not be religious in nature, but used for political purposes. The convention was banned by the Government on the grounds that it would inflame passions in the troubled state of Punjab, where army action in the Golden Temple in

Amritsar last June to flush out Sikhs terrorists greatly angered the religious community. The ban on the convention was imposed following seizure of allegedly inflammatory posters and pamphlets by official agencies. This convinced officials that the convention would not be religious in nature, but used for political purposes.

The convention was banned by the Government on the grounds that it would inflame passions in the troubled state of Punjab, where army action in the Golden Temple in

Amritsar last June to flush out Sikhs terrorists greatly angered the religious community. The ban on the convention was imposed following seizure of allegedly inflammatory posters and pamphlets by official agencies. This convinced officials that the convention would not be religious in nature, but used for political purposes.

The convention was banned by the Government on the grounds that it would inflame passions in the troubled state of Punjab, where army action in the Golden Temple in

Amritsar last June to flush out Sikhs terrorists greatly angered the religious community. The ban on the convention was imposed following seizure of allegedly inflammatory posters and pamphlets by official agencies. This convinced officials that the convention would not be religious in nature, but used for political purposes.

The convention was banned by the Government on the grounds that it would inflame passions in the troubled state of Punjab, where army action in the Golden Temple in

Amritsar last June to flush out Sikhs terrorists greatly angered the religious community. The ban on the convention was imposed following seizure of allegedly inflammatory posters and pamphlets by official agencies. This convinced officials that the convention would not be religious in nature, but used for political purposes.

The convention was banned by the Government on the grounds that it would inflame passions in the troubled state of Punjab, where army action in the Golden Temple in

Amritsar last June to flush out Sikhs terrorists greatly angered the religious community. The ban on the convention was imposed following seizure of allegedly inflammatory posters and pamphlets by official agencies. This convinced officials that the convention would not be religious in nature, but used for political purposes.

The convention was banned by the Government on the grounds that it would inflame passions in the troubled state of Punjab, where army action in the Golden Temple in

Amritsar last June to flush out Sikhs terrorists greatly angered the religious community. The ban on the convention was imposed following seizure of allegedly inflammatory posters and pamphlets by official agencies. This convinced officials that the convention would not be religious in nature, but used for political purposes.

The convention was banned by the Government on the grounds that it would inflame passions in the troubled state of Punjab, where army action in the Golden Temple in

Amritsar last June to flush out Sikhs terrorists greatly angered the religious community. The ban on the convention was imposed following seizure of allegedly inflammatory posters and pamphlets by official agencies. This convinced officials that the convention would not be religious in nature, but used for political purposes.

The convention was banned by the Government on the grounds that it would inflame passions in the troubled state of Punjab, where army action in the Golden Temple in

Amritsar last June to flush out Sikhs terrorists greatly angered the religious community. The ban on the convention was imposed following seizure of allegedly inflammatory posters and pamphlets by official agencies. This convinced officials that the convention would not be religious in nature, but used for political purposes.

The convention was banned by the Government on the grounds that it would inflame passions in the troubled state of Punjab, where army action in the Golden Temple in

Amritsar last June to flush out Sikhs terrorists greatly angered the religious community. The ban on the convention was imposed following seizure of allegedly inflammatory posters and pamphlets by official agencies. This convinced officials that the convention would not be religious in nature, but used for political purposes.

The convention was banned by the Government on the grounds that it would inflame passions in the troubled state of Punjab, where army action in the Golden Temple in

Amritsar last June to flush out Sikhs terrorists greatly angered the religious community. The ban on the convention was imposed following seizure of allegedly inflammatory posters and pamphlets by official agencies. This convinced officials that the convention would not be religious in nature, but used for political purposes.

The convention was banned by the Government on the grounds that it would inflame passions in the troubled state of Punjab, where army action in the Golden Temple in

Amritsar last June to flush out Sikhs terrorists greatly angered the religious community. The ban on the convention was imposed following seizure of allegedly inflammatory posters and pamphlets by official agencies. This convinced officials that the convention would not be religious in nature, but used for political purposes.

The convention was banned by the Government on the grounds that it would inflame passions in the troubled state of Punjab, where army action in the Golden Temple in

Amritsar last June to flush out Sikhs terrorists greatly angered the religious community. The ban on the convention was imposed following seizure of allegedly inflammatory posters and pamphlets by official agencies. This convinced officials that the convention would not be religious in nature, but used for political purposes.

The convention was banned by the Government on the grounds that it would inflame passions in the troubled state of Punjab, where army action in the Golden Temple in

Amritsar last June to flush out Sikhs terrorists greatly angered the religious community. The ban on the convention was imposed following seizure of allegedly inflammatory posters and pamphlets by official agencies. This convinced officials that the convention would not be religious in nature, but used for political purposes.

The convention was banned by the Government on the grounds that it would inflame passions in the troubled state of Punjab, where army action in the Golden Temple in

Amritsar last June to flush out Sikhs terrorists greatly angered the religious community. The ban on the convention was imposed following seizure of allegedly inflammatory posters and pamphlets by official agencies. This convinced officials that the convention would not be religious in nature, but used for political purposes.

The convention was banned by the Government on the grounds that it would inflame passions in the troubled state of Punjab, where army action in the Golden Temple in

Amritsar last June to flush out Sikhs terrorists greatly angered the religious community. The ban on the convention was imposed following seizure of allegedly inflammatory posters and pamphlets by official agencies. This convinced officials that the convention would not be religious in nature, but used for political purposes.

The convention was banned by the Government on the grounds that it would inflame passions in the troubled state of Punjab, where army action in the Golden Temple in

Amritsar last June to flush out Sikhs terrorists greatly angered the religious community. The ban on the convention was imposed following seizure of allegedly inflammatory posters and pamphlets by official agencies. This convinced officials that the convention would not be religious in nature, but used for political purposes.

The convention was banned by the Government on the grounds that it would inflame passions in the troubled state of Punjab, where army action in the Golden Temple in

Amritsar last June to flush out Sikhs terrorists greatly angered the religious community. The ban on the convention was imposed following seizure of allegedly inflammatory posters and pamphlets by official agencies. This convinced officials that the convention would not be religious in nature, but used for political purposes.

The convention was banned by the Government on the grounds that it would inflame passions in the troubled state of Punjab, where army action in the Golden Temple in

Amritsar last June to flush out Sikhs terrorists greatly angered the religious community. The ban on the convention was imposed following seizure of allegedly inflammatory posters and pamphlets by official agencies. This convinced officials that the convention would not be religious in nature, but used for political purposes.

The convention was banned by the Government on the grounds that it would inflame passions in the troubled state of Punjab, where army action in the Golden Temple in

Amritsar last June to flush out Sikhs terrorists greatly angered the religious community. The ban on the convention was imposed following seizure of allegedly inflammatory posters and pamphlets by official agencies. This convinced officials that the convention would not be religious in nature, but used for political purposes.

The convention was banned by the Government on the grounds that it would inflame

TECHNOLOGY

EDITED BY ALAN CANE

BANKERS JOIN AN ALVEY 'CLUB' TO MOVE INTO EXPERT SYSTEMS

Bank managers face automation

BY LOUISE KEHOE

AUTOMATIC TELLERS — yes, but automatic bank managers? It sounds far-fetched, but "expert systems," computers that can make complex decisions with the apparent expertise of a senior manager, could soon automate much of the work of a bank manager, a loan advisor, a financial planner, or perhaps even a securities trader.

Keeping up with the advances in expert systems, a branch of "artificial intelligence" technology, is essential if British banks and financial institutions are not to fall prey to international competition, the Alvey Directorate warned a group of city moneymen recently.

Continuing its mission to encourage British industry to develop and apply information technologies, the Alvey Directorate invited the bankers to join a "club" that will develop a prototype computerised financial expert. The member-institutions will have the opportunity to choose which aspect of their business will be performed by their new electronic colleague.

Each will pay £5,000 to £10,000 to join, and the Government will provide a matching fund in the form of matching funds to bring the total project funding to around £500,000.

The goal of the project, according to David Thomas of the Alvey Directorate, is to increase awareness of the potential applications of expert systems. "It is difficult to assess the benefits and relevance of new technology without trying it out," he points out. Building a pilot system will provide potential users with the opportunity to evaluate the technology without making a major financial commitment.

Educating bankers — and other professionals — about expert systems could however prove to be a difficult task. How

many financial managers are going to approve the purchase of a computer that could ultimately make their expertise redundant?

To sweeten the bitter pill, the Alvey project proposal points out that some types of human experts are in short supply and that expert systems could become a substitute to human experts. Most of the suggested benefits of expert systems are however less comforting.

"Some of the benefits derive from the disadvantages associated with human experts," the Alvey proposal states. "For a start, once designed, computerised experts can be duplicated with the minimum of fuss and delay. Expert systems work 24 hours per day, don't take lunch breaks or holidays, get tired or sick. They don't draw pensions."

Human experts are sometimes not specialised or become out of date and are difficult and expensive to train. Expert systems, on the other hand, can be tailored to the requirements of an organisation so that their expertise is not too specialised or specialised in the wrong area. Their knowledge base can be modified or updated as required.

One of the biggest advantages of the computerised expert is that he is always able and willing to explain how he has reached a decision. The same cannot be said of the human variety.

Worse, human experts often disagree and are inconsistent. With an expert system, every task is handled methodically and exhaustively, all relevant evidence is taken into account. Decision making is rationalised and standardised.

Surely humans must have some advantages — warmth? Humour? Personality? No.

"Human experts are sometimes difficult to deal with as people

and often find it hard to pass on their expertise to others," points out the Alvey proposal. "Expert systems," by contrast, "are easy to use and can patiently explain their reasoning and conclusions."

What makes these boxes of integrated circuits superior to flesh and blood? Basically, an expert system is a computer that has been trained to solve problems in a predefined area. The system uses a body of knowledge — provided by a human expert — organised into facts and rules. Its powers of "reasoning" are defined by rules. Some simple and some very complex.

The expert system knows the answer to any question that it has been told to remember. It also knows which questions to ask to reach a decision. Expert systems can even deal with incomplete or vague information by assessing probabilities.

A feature of expert systems is that they can be tailored to the particular needs of a user or application. As expert systems software is written in English-like language, it is possible for users to create their own system based upon a "shell" or pattern program.

Reducing complex decisions to a set of simple questions is by no means easy, but the state of the art in expert systems technology is advancing rapidly and is very close to becoming a commercially viable reality in many applications.

The Alvey initiative in setting up the club provides British banks with a very inexpensive opportunity to investigate the technology. Initial reactions to the idea have been very positive. Some 18 banks and financial groups have said that they want to be involved in continuing discussions.

Privately, however, several attendees at the initial Alvey seminar in London admitted that

the lure of government funding and the relatively low "membership" fee were major factors in their decisions. Serious application of expert technology to banking operations would be considerably more costly.

Adoption of expert systems technology by banks or any type of company also requires radical changes in management philosophy. Delegating decision making to junior levels — aided by an expert system — calls for a leap of faith that many may find hard to take.

But the threat of being left behind in the whirlwind of information technology is very real. Already major banks in the U.S. are experimenting with expert systems. Security Pacific Bank in California is developing a program that will predict foreign exchange rates. The system is expected to be working by the end of the year.

The Alvey Directorate's warning of mounting foreign competition could however be more tellingly directed at the British development branch of the technology behind expert systems. That technology is now moving out of academia and into the commercial world. In the process it has flown across the Atlantic to the U.S. where most major corporations have development projects underway. Dozens of start-up expert systems firms, many of them in Silicon Valley, have sprung up over the past year with the aid of venture capital backing.

Quintus Computer Systems of Palo Alto, California, is one such venture. Formed earlier this year, Quintus is offering application development systems for the creation of software for expert systems and natural language systems. Initially the company is offering DEC-10/20 Prolog developed by the company's founders at Edinburgh University.

AFTER SALES service and support is a costly business in any industry. Far from being an exception, the computer software industry has all of the usual problems associated with supporting customers and a number of special ones.

But salvation could be on the way through use of the combined power of computers and communications technologies.

The growth in personal computing — especially at the professional level — has created an enormous support problem for the software industry.

In the days of expensive,

large-scale computing, the cost of supporting products was relatively small in comparison with the revenue from the sale or rental income from it. The supplier could, therefore, absorb support costs more easily. But cheaper computers have led to cheaper software and support costs have grown relative to the price the customer pays. What is more, support is labour intensive and staff charged with responsibility for supporting software must necessarily be of high calibre. They also demand high salaries.

It makes sense, therefore, to find ways of reducing the labour content of support services, and the most likely candidate for this is the telephone network.

Some of the larger computer manufacturers have been offering a "hot line" service for software for some time. IBM and DEC are two of the leaders in this field. The problem with the hot line service is that it still requires personnel at the end of a telephone ready to respond to customer queries.

Bolton is hoping to interest other software distributors in this style of support service and is convinced that it is the beginning of a trend.

The network support service is only the beginning of a much more valuable service which will eventually make the IBM-style of fault database accessible to customers.

"We know it is feasible and we are working on getting it up as soon as possible," said Bolton.

The first steps towards this

will be to broadcast a solution to a known problem to all users' BT Gold mailboxes when a number of customers have inquired about it.

"This means that the maintenance agreement also forms the basis for a user group," Bolton said.

The growth in networks has already given rise to the formation of informal user groupings based around particular computers.

"What we are trying to do is to get people to use their computers more," Bolton explained.

Professional Personal Computing

The growth in personal computing has created an enormous support problem



The UK's leading computer company
021-454 8585

Telecoms

Low cost links

MODEMS ARE rather clever gadgets which allow computers to talk to each other down the telephone line. With the growth of low-cost personal computers, so has come the demand for these machines to communicate. However, the price of the modem was prohibitively high.

Several companies have attempted to produce low-cost modems to fit the pocket of the hobby computer market. Circuit is a company which has introduced one costing just under £50.

This will be available from mid-September from leading high street outlets such as Menzies, W. H. Smith and Boots. Thorn-EMI is also to distribute the modem. More details from Circuit in Bexbourne, Herts, on 0992 444111.

Conferences
Plastics assembly

THE PLASTICS AND RUBBER INSTITUTE is to run a conference on plastics assembly on October 31 at Solihull. Manufacturers are faced with many processes to meet demands from new applications of plastic. More details from the institute at 11 Hobart Place, London.

UK MILITARY ADOPTS COMPUTER LANGUAGE

Ada goes into battle

LADY ADA LOVELACE, Lord Byron's daughter, is remembered by computer historians as being the first computer programmer. More than 120 years ago, she helped Charles Babbage operate his then futuristic analytical engine — the forerunner to modern computers.

But her Christian name may now be recalled not in terms of her historical achievements but as a computer language which is likely to become an international standard for military applications.

Ada, the language, was originally developed by the U.S. Department of Defence for advanced computer applications. These include control and command systems where computer operators have to be able to respond quickly to changing battlefield operations.

The Department of Defence intends that it will replace from this year more than 700 computer languages now used by the U.S. military.

Britain last week announced that over a three year period, Ada is to replace the single computer language—Coral 66—now used for UK military computer systems. Coral has been around for more than 20 years, so it is felt that it is nearing the end of its useful life. But this decision will mean important changes for British companies supplying defence equipment.

Some, such as ICL, have already started to develop software based on Ada but the MoD admits that it may need

to provide funds for specific military projects. Several million pounds are likely to be needed but the MoD has not yet identified which areas will require financial support.

Nato is also considering following the U.S. lead and may decide to adopt Ada from 1986.

Mr Nigel Hughes, assistance chief scientific adviser (policy) at the MoD, said that the attraction of Ada was not just the fact that it would be a common standard but that it was a language which would allow changes to be made in one part of a system without affecting other areas.

This is particularly important because of the trend towards so-called distributed computing where several computers at different locations may share a complex computing task.

The importance of the language's flexibility was emphasised by Mr Hughes. He said: "In defence, you are in a reactive world. You must be able to respond to the threat."

Ada is also a high level language which means that it is written clearly and easily to a normal writing language. Mr Hughes said that in lower level languages such as Basic — a popular programming language for home computers—it was not always possible to understand the workings of a particular program after a period of time.

Ada does have applications outside the military for example, in the process industry

ELAINE WILLIAMS

In Copenhagen



A perfect blend of the old and the new awaits you at the landmark Hotel d'Angleterre. Combining the charm and elegance of a grand hotel, the Hotel d'Angleterre provides every modern business convenience and a professional staff to attend to your every need. We look forward to offering you the Inter-Continental advantage.

THE ADVANTAGE IS INTER-CONTINENTAL
HOTEL D'ANGLETERRE

34 Kongens Nytorv, 1050 Copenhagen K. (01) 12 00 95. Telex: 15877
For reservations call: London: (01) 491-7161, Paris: 742-07-95
Frankfurt: 0611-230561, Amsterdam: (020) 262021

Gould... Innovation and Quality in European Electronics



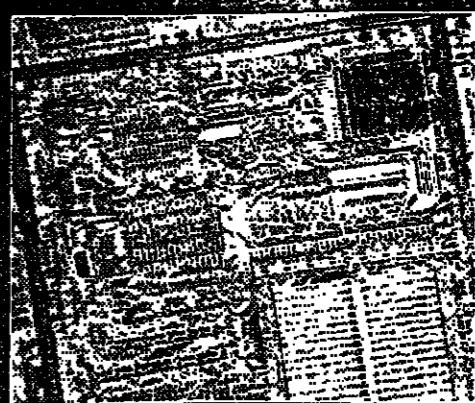
"We need a European materials and components supplier with a range of products as advanced as our own systems and equipment."

"You need Gould."

Today's electronic systems and equipment demand advanced components and materials—and no-one is better placed to provide them than Gould.

Gould is one of the world's foremost electronics companies—the largest supplier of ultra-fine copper foil for printed circuits and the world's biggest commercial producer of custom semiconductors. If it's important to Europe then it's crucial to Gould.

Interested enough to find out more? Write to Gould, Department R1, Raynham Road, Bishop's Stortford, Hertfordshire CM23 5PF, England.



GOULD
Electronics

THE MANAGEMENT PAGE

"MY MAIN problem is persuading foreign buyers that we are not like the rest of British companies," Bryan Upton's caustic swipe at some of his competitors will raise hackles in a lot of boardrooms.

As managing director of Westall Richardson, probably Europe's biggest single manufacturer of kitchen knife blades, Upton feels secure enough about his own company's track record to make a few digs at UK management.

The way Westall conducts its business is certainly in glaring contrast to the behaviour of some other UK cutlery companies. Many of them are now deceased, corporate corpses in an industry decimated during the past 30 years.

Turned out: 750,000 knife blades a week, Westall Richardson, and a small clutch of successful companies like it, are the remaining flood barriers keeping the name of Sheffield afloat amid the waves of Korean and Japanese cutlery imports.

The South Yorkshire company, whose US owner, Jerome Hahn, has let local management turn the show since taking it over in 1982, employs 280, little changed over the last two decades. It is heading for a 5% turnover this year (a three-fold growth over the past five years and double the £3.5m in 1982 when pre-tax profits of £263,564 were earned) and exports to 70 countries its own range of knives, and blades only ordered by other cutlers.

By making kitchen knives and the blades for them Westall has been blessed by one major piece of luck. The kitchen cutlery business is a law unto itself and has been much freer from the murderous attention lavished by Far East factories (some owned by British cutters) on most other areas of the cutlery industry where import penetration has risen to as high as 90 per cent.

This has been a godsend, not only for Westall but also its two big UK competitors, and British companies now supply more than half of the £10m a year UK market for kitchen knives. Wilkinson Sword's Kitchen Devil subsidiary, which has its blades made by other manufacturers like its neighbour, Witness, in Sheffield, and its handles elsewhere, claims the biggest market share in the UK. Prestige, recently the subject of a management buy-out from its US owner, is third in the league and has a manufacturing plant in Burnley.

Westall's manufacturing processes are much simpler than in many companies producing table cutlery. It also benefits, if that is the right word, from the cutlery industry's very low wage rates which are considerably below those paid in the



Bryan Upton: exports blades to 70 countries

Finding a niche in a cut-throat industry

Nick Garnett explains how a Sheffield cutler keeps the competition at bay

larger Japanese plants. Production machine operators, for example, earn between £63 and £79 for a standard week.

But the company also demonstrates two aspects of business sorely lacking in much of Sheffield's cutlery manufacturing, and the absence of which has contributed to the speed of its near demise.

Westall's marketing is recognisable in the industry as well organised and very aggressive and in an industry with a generally sad investment record the company has demonstrated almost 20 years of attention to re-investment and re-tooling.

Fifty new blade-grinding machines for example are just being installed as part of a five-year development programme. The machines were designed by Westall's own engineering workshop and largely built by

the in-house engineering labour force of 12 has also designed and built a range of other equipment, including machines which cycle blades from hoppers onto grinding machines—allowing one operator to grind a blade every two seconds—and one for duplicating patterned grinding rollers. It is no robotics dreamland, but it seems to be effective.

A year ago Westall also bought Elford Plastics, a Leeds-based knife handle-manufacturing company, so while it now makes some of its own handles it also supplies direct to a number of West German outlets.

As part of its technical development, Westall has introduced over the past two years its Laser knife which, along with other completed knives is sold through its Richardson of Sheffield subsidiary.

The company's claim that

with an 18 degree blade angle on both sides and a patented edge configuration of minute "hills and valleys" the knife does not require resharpening, has been criticised as unbelievable from within parts of the industry.

Upton, who joined the company as a progress chaser 25 years ago and whose

normal working dress is a white technician's coat, says that edge retention tests have shown the blade to require no sharpening over an average 25 year use.

The Laser knife has hit prestige's hold in the market place but the letter, which tempers its own steel as well as manufacturing its own blades, is fighting back with some new ranges however. It also has more faith than Westall in the sales future of very up-market Sabatier-style knives which it but not Westall markets.

Westall also uses softer steel than a number of other manufacturers for some of its blades though Upton refutes rumours that this spells poorer

workmanship. He says:

"We have three rules here," says Upton. "Any letter is answered the same day, any sample asked for is sent the same day and telexes are answered immediately."

At last year's Frankfurt trade exhibition, Upton's sales staff flew back on a Saturday to process the 350 inquiries they had received there before closing back to West Germany the next day for the Cologne exhibition, beginning on the Monday.

Of Westall's output, 250,000 blades are made every week, mostly by hand, by the Richardson of Sheffield associate company. Half of the other 500,000 blades go to the USA, to Jerome Hahn's US outlet. Part of this is accounted for by a deal secured by Hahn with the American department store chain, Sears Roebuck.

West Germany, where blade and knife manufacturers include Ed-Wurst, Herder and Gustav Emil Ern, takes 100,000 blades a week from Westall which also supplies direct to a number of West German outlets.

Westall's marketing is recognisable in the industry as well organised and very aggressive and in an industry with a generally sad investment record the company has demonstrated almost 20 years of attention to re-investment and re-tooling.

Fifty new blade-grinding machines for example are just being installed as part of a five-year development programme. The machines were designed by Westall's own engineering workshop and largely built by

its Richardson of Sheffield subsidiary.

Restructuring UK steel

Where co-operation did not succeed

AS THE industrialised country first into the recent recession and the one hit hardest by it, Britain has accumulated considerable experience in the techniques of contracting its manufacturing base.

Several managers, particularly in the heavy engineering industries, have had to learn to deal with what can only be described as catastrophic change.

A few have even recovered sufficient confidence to discuss their experiences publicly.

For example, a director of the British Steel Corporation, which has shed over 150,000 workers in the past decade, has

published a widely admired paper on the subject.

But little has appeared so far on a number of innovative projects, in which banks, the Government and some accounting firms have participated, aimed at reducing excess capacity in whole sectors.

One of the best known efforts at collective restructuring was the one which Lazard Brothers, the merchant bank, led in the USA in 1981 when Lazard got involved, output in the sector was running at about two-thirds of its 236,000-tonne capacity, and the rate had been declining steadily

for six years despite a few plant closures.

The scheme was novel in starting from the assumption that those companies that remained active in the sector ("the operators") would benefit from the improved trading conditions arising from closures, and that they should therefore contribute to the costs of the closers.

The Government agreed

to an early stage to top up the compensation terms, and so

industry leaders and Lazard were confident that a deal would be wrapped up fairly quickly.

However, it did not work out that way. Negotiations dragged on and on as many companies vacillated over whether to close or stay open. In the end, in January 1983, commitments to close amounted to only 16 per cent of the sector's capacity, nowhere near enough to restore healthy trading conditions.

A new study of the scheme by the London Business School professor comes to a pretty tough verdict.

"The amount of capacity closed seems to us to have been little more than that which would probably have closed had there been no scheme." And many of the

closures would have happened

sooner if there had been no scheme.

However, Charles Baden Fuller and Robert Hill recognise that it was a "sicky and innovative course" that Lazard had set out on and they argue that the principle is a good one.

The immediate advantages claimed for a collective approach to capacity reduction include cutting out unnecessary capacity more quickly than if market forces were left to operate on their own. Perhaps more important is that it provides the opportunity to coordinate things so that what closes is the least efficient.

The problems with the steel foundry scheme turned out to be those that plague any cartel.

Once there are more than a few people involved—and there are still over 50 companies in the UK steel foundry sector—it becomes very difficult to keep everyone in line. It is not surprising that the number of small, old, proud family businesses involved.

Marc did not want to make a brutal assessment of their assets, some were highly suspicious of the motives of the big companies, and most had nothing to turn to if they

agreed to close.

The study suggests that Lazard erred initially in accepting the analysis of the sector's problems which was presented by the leading producers. It argues that a scheme manager should carry out his own analysis. If he understands the market and the behaviour of all the producers, he will be in a better position to deal with potentially disruptive manoeuvres and concentrate on working towards the quick settlement that is needed. Also, he will form an impression of which plants should close and thus be able to aim the negotiations.

One snag in this type of scheme is that it is voluntary. There is no way of preventing companies that refuse to participate from benefiting from the result. Baden Fuller and Hill recognise the problem, but propose no answers other than arm-twisting.

IMR Rodger

* Industry strategies for alleviating excess capacity: the case of the Lazard scheme for UK steel castings. Dr C. Baden Fuller and R. Hill, London Business School, Sussel Place, Regent's Park, London NW1 4SA.

BUSINESS PROBLEMS

BY OUR LEGAL STAFF

Vanishing tenant

We let a single-storey lock-up shop and warehouse which used to be our place of business.

The tenant has now vanished. Mail is piling up, uncollected for weeks, inside the door. The rent due is

The lease leaves no doubt that rent unpaid for 21 days causes cancellation of the tenancy "whether notice be given or not." Reminders have been sent on three occasions to all possible addresses.

There are piles of finished and partly-finished books on the premises, plus some machinery (rented, I am told) and paper. As I have tenants competing with each other to

get the place, and I need the premises.

Can I publish a notice, calling on all owners of property to take it away or will it be stored, with charges for this removal and storage payable by the owners of the goods?

Since storage charges would be incurred in practice fall on me it is preferable not to demand such charges, or, at least, to do so under a limited period. You should re-enter the premises peacefully, thus exercising your right to forfeit the lease for non-payment of rent. You should then write to the former tenant at each of his last or recently known addresses asking him to remove all chattels left on the premises within, say, 30 days of the date of your letter and state that failure to collect any chattels will result in their being disposed of. You could then dispose of any uncollected chattels. If you have incurred storage charges you could sell the chattels to defray that expense. If you realise money by sale which is more than is needed for storage charges you should place it in a separate

Accountants' code

Could you please advise us as to whether accountants are obliged to inform clients upon request the amount of commission involved in setting up a "self-administered pension scheme" on their behalf?

Accountants are required under their professional code of conduct to disclose to clients the amount of insurance com-

mision that they receive and it is general practice among accountants to pass on this commission either by direct offset against fees, or by charging lower fees than would otherwise be chargeable.

The actual interpretation of this professional requirement can vary. Some firms own tame insurance broking companies which are instructed to receive all insurance commissions arising from the activities of the partner in the accountancy firm. Other accountants are very punctilious in identifying

all commission receipts in respect of particular clients and offsetting these receipts against fees.

In a genuine self-administered pension plan there should be no insurance commission because the employer operates his own trust fund without using an insurance company. A substantial number of "hybrid" schemes exist, however, whereby an insurance company will disburse an insured pension scheme to look like a self-administered pension scheme when in reality it merely paid £60,000 to an insurance company, which then paid £33,000 commission to the "financial consultant" who had succeeded in persuading the employer to accept this thinly disguised scheme.

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

NEW CARS

TOP DISCOUNTS

WITH IMMEDIATE DELIVERY ON MOST MODELS

Contact Jeremy Hutton

01-286 4515

St. John's Wood

Lex Brookland

INTERFLEET LTD.

Tel: 01-402 4922

(Open Sat 10 am - 1 pm)

INTERFLEET LTD.

THE ARTS

Television/Martin Hoyle

Making sure you look for the date stamp



Confrontation in court: Edward Herrmann as Alger Hiss and John Harkins as Whittaker Chambers

Shelf-life is a concept more familiar in the context of marketing foodstuffs than TV programmes, but at a recent Press conference senior executives of one of the smaller up-and-coming TV regions' companies uttered magic words about "those little goodies you can make now and forever turn the handle and rot out".

Not that this betokens a drift towards junk food. The Broadcasting Research Unit has come up with the fact that 40 per cent of viewers think there's too much American material on television—they mutilate the language; the actors look like tailors' dummies—and would prefer the organically-produced British product. It's a curious attitude since it's accorded to those artistic blockbusters that have actually done well commercially. Clark's Civilization marking the watershed—culture as commodity.

Indeed, the arts on the box are handled with the ginger enthusiasm of selling wine in supermarkets. There's a small but loyal public, knowledgeable and articulate; and a potential mass market to be persuaded of the product's popular appeal. Central's *Hope and Glory* was a no-nonsense study of Elgar, bravely ignoring the alterating phantom of Ken Russell, and boasting some intriguing archive film of the composer himself, a social arriviste beset by sometimes imaginary money worries; an English Gothic "he could have been one of the greats" generation of all time if he'd been European," said Simon Rattle. "But being English, he was as he was."

The wunderkind conductor emerged as a TV natural, not least while confessing that reading the original poem of *Gerontius* was "almost a repulsive experience". Jim Burrow's direction intercut old footage with Elgarian experts (Jerrold Northrop Moore's talking head gratifyingly spiced piece-meal) and pastoral shots inevitable in what Moore referred to as "the Worcestershireness of his music"—the epitome of that blend of introspective claustral cool and distant sunlit vistas

that characterises so much English music.

It was hard luck that this workmanlike and affectionate production should be overshadowed by a look at a different sort of Englishness. *The Benton Style* (BBC 2) showed how much more vividly first-hand reminiscences can resurrect a subject than the most erudite experts. Framed by the auction of the aesthete's home and effects (echoing the Lady of the Camellias), the programme bristled with cut-glass accents and crackled with lines apparently written by Alan Bennett. Lady Sadiley recollects the Beaton boy, old Nanny: "Very deaf. That's why my sister and myself have always spoken up very loudly." She dared the camera to contradict her.

From his Russian-ballet-influenced room at Harrow, "all purple and white", Celia proceeded to seek out "the really best people at Cambridge and excel at tennis rules like the Countess in Pirandello's *Henry IV*"—a smart and bitchy Italian English, he was as he was."

lady: that he could do very well," mused Sir Stephen Runciman.

Despite such setbacks as being sacked by Condé-Nast for suspected anti-semitism—whisked back to England "absolutely forthwith"—and being set upon by angry crowds while photographing the blitz, Beaton's self-absorption was total. The war was "designed to show up my inadequacy"; of the private Garbo pictures whose publication finally ruptured their relationship, a friend observed, "his heart was broken but his head always won." A glimpse of a, *Sitwell This Is Your Life* proves "Edith was game for any trick," though game of all is Ed蒙蒙 Andrews stolidly pursuing his way as his smile glances. Not the least pleasure derives from the cunning use of Sir Cecil's desert island discourses. Mahrer's wayward foray into the story side of the beloved gardener Merton for the gods and wickety Mac the Knife for Oswald Mosley. A repeat order

for this special line should be stocked on the shelves, absolutely forthwith.

Forties America, where Beaton flirted with Garbo to the strains of *Carousel* saw the rise and fall of Alger Hiss. A brilliant young New Dealer, it was named as one of "the concealed enemy, the respected members of American society who in actuality are agents of the Soviet Union." He sued his accuser, lost, served nearly four years for perjury, and for over 30 years has been fighting to clear his name.

Hiss has apparently objected that the Channel 4 mini-series *Concealed Enemies* fails to exonerate him completely. Short of producing revelatory new evidence, the production portrays him as sympathetic: a victim of growing anti-red hysteria. Fatally for Hiss the case coincided with Russia's first atomic bomb. A fortnight after his conviction Joseph McCarthy took the limelight, demon-king

of the special forces he had created.

Hiss was game for any trick, though game of all is Ed蒙蒙 Andrews stolidly pursuing his way as his smile glances. Not the least pleasure derives from the cunning use of Sir Cecil's desert island discourses. Mahrer's wayward foray into the story side of the beloved gardener Merton for the gods and wickety Mac the Knife for Oswald Mosley. A repeat order

for this special line should be stocked on the shelves, absolutely forthwith.

Forties America, where Beaton flirted with Garbo to the strains of *Carousel* saw the rise and fall of Alger Hiss. A brilliant young New Dealer, it was named as one of "the concealed enemy, the respected members of American society who in actuality are agents of the Soviet Union." He sued his accuser, lost, served nearly four years for perjury, and for over 30 years has been fighting to clear his name.

Hiss has apparently objected that the Channel 4 mini-series *Concealed Enemies* fails to exonerate him completely. Short of producing revelatory new evidence, the production portrays him as sympathetic: a victim of growing anti-red hysteria. Fatally for Hiss the case coincided with Russia's first atomic bomb. A fortnight after his conviction Joseph McCarthy took the limelight, demon-king

of the special forces he had created.

On fringe of the party

Arriving in Edinburgh in the third week of the Festival is a bit like wandering by mistake into a party that has gone on a couple of hours too long. It is certainly like that in the Assembly Rooms, which claim to be the focus of the fringe in George Street. Alternative comedians are still fixing deals with the Fringe executive while audiences are participants wander around, catatonic with tiredness, knocking each other over with knapsacks and talking wildly about some group or other who might become as famous as the Flying Pickets.

Much has been made of the slump in audiences this year at the Assembly Rooms, but the new fringe chairman, Jonathan Miller, who has kept an admirably high profile, has been quick to point out that the fringe is not the only place where there is much life outside of George Street and that, anyway, most of the acts there are professional and not really in the true spirit of the fringe.

Our own David Elstein whose distinguished track record includes *Pavloviana*, *This Week* and *The World At War* co-produces Edward Herrmann's *Hiss* is headstrong uprightness personified; John Harkins is fibby, moist-eyed and plausible as his accuser. A good solid product; should have a long shelf-life. But as the informer, *Concealed* is a personal project, has been inexplicably awarded a posthumous Medal of Freedom by President Reagan, it may not suit every climate or every taste.

Biggest disappointment was *Clothes Jones and the Great American Beauty Pageant* (LWT). The competition business gets them young in Kentucky where entries in the 2-to-4 age-group include almost obscene mini-adults, made-up, permed and slouchingly high-heeled, the odd toddling Mae West in their midst ("her hobbies are reading and writing"). Evidently disarmed by the often mentioned niceness of the Americans, James rarely rose above the level of tired facetiousness. Shots of him tiddly jogging with the older contestants struck a desperate note. This recycled pup should be withdrawn as well past the "sell by" date immediately.

Indian restaurants, is placed against a grim background of unemployment in what was supposed to be, after all, the dream post-war city. The dream has turned sour; the car is no longer a symbol of industrial prosperity, but of phallic aggression. Mr Gaunt, much larger than his name would suggest, leads a spirited trio of action, and from such ingenious use is made of slide projections and stage properties.

The radicalisation of Dr Miller is indeed interesting. He told me that his own favourite

and bureaucrats where to get off. John Mortimer blinked benignly from the chair and said he had to go home on the shuttle.

Meet could be viewed as an inverse feminist show: elsewhere feminism is more, shall we say, rampant. Especially so in *Judy Chicago's The Dinner Party* at the Victoria Hall. This provides no substitute for Carol Churchill's *Top Girls*. It is the Last Supper according to the people, that is women, who have cooked the thing down the centuries. The background and documentation are fascinating. The show itself—a triangular dinner table set for 39 guests—is awful. Well, not awful, just uninteresting. Most of the diners plates are decorated ceramic ruffles. The tiles and quiltwork are sheer feminist kitsch.

I much preferred Marcella Evarist's *The Works* at the Traverse—which is happily buzzing again this year—in which the author herself defines in a series of spikily delivered anecdotes how her life became part of her writing and not vice versa. Another writer performer, Morewenna Banks, tries on the costume of *Crossiva*, a half-cock feminist gloss on Shakespeare's rather than Chaucer's *hameine*. It is on at the Demare Theatre.

Finally, it is worth fighting through the Assembly Rooms knapsacks and Muñica hairdos to see *Fascinating Aida*, a talented trio of singers who put the skids under Sloane Rangers. One of the girls, Adele, has a wonderfully smoky voice, and could fool me that she was a sultry transvestite. There is a wonderfully witty song about falling in love with the Pope and a splendid Liza Minelli spoof in a sneak preview number from an upcoming musical version of *The Three Sisters*. Look out Moscow, here they come.

Gallileo Gallilei/Edinburgh Festival

Michael Coveney

The arrival of the Berliner Ensemble in Britain for the first time since 1965 has proved a melancholy, dispiriting occasion. Although the production of *Gallileo Gallilei* is comparatively recent, dating from 1978 in the wake of administrative and artistic upheavals in the company, what we saw on Monday night at the King's Theatre was a tediously embalmed and monochrome affair, devoid of urgency, fire and animation.

In respect of Eckhard Schall, who has made the title role his own (a role first written for Charles Laughton) the evening is a crushing disappointment. Brecht's tale of scientific discovery censored by the State and the Church for fear of how popular opinion might react, it came as the second half of an exceedingly oddly composed concert, the first part of which had been devoted to Lazar Berman's wayward foray into the special Brucknerian advantages of the Albert Hall allows (the lengths of silences between phrases and paragraphs were most surely timed to permit their concluding notes to soar away to nothingness). And yet I should recall another Bruckner performance tamer or spiritually less compelling than that.

Inevitably, perhaps, this major piece in the evening is so truncated as to seem but a précis of the real thing, albeit the dressed, gleaming with the gold and tinsel and jewels and pearls, backcurved fingers and their interminable nail-bits, are ravishing. The dance after its first heraldic effect, is far less so. The music, relentlessly pentatonic, is pretty, but also rather demure, though the strangled-peacock cry of the Thai oboe cuts through the shimmering timbres of gong and xylophone like the warrior's sword-blade.

Inevitably, perhaps, this major piece in the evening is so truncated as to seem but a précis of the real thing, albeit the dressed, gleaming with the gold and tinsel and jewels and pearls, backcurved fingers and their interminable nail-bits, are ravishing. The dance after its first heraldic effect, is far less so. The music, relentlessly pentatonic, is pretty, but also rather demure, though the strangled-peacock cry of the Thai oboe cuts through the shimmering timbres of gong and xylophone like the warrior's sword-blade.

Inevitably, perhaps, this major piece in the evening is so truncated as to seem but a précis of the real thing, albeit the dressed, gleaming with the gold and tinsel and jewels and pearls, backcurved fingers and their interminable nail-bits, are ravishing. The dance after its first heraldic effect, is far less so. The music, relentlessly pentatonic, is pretty, but also rather demure, though the strangled-peacock cry of the Thai oboe cuts through the shimmering timbres of gong and xylophone like the warrior's sword-blade.

Inevitably, perhaps, this major piece in the evening is so truncated as to seem but a précis of the real thing, albeit the dressed, gleaming with the gold and tinsel and jewels and pearls, backcurved fingers and their interminable nail-bits, are ravishing. The dance after its first heraldic effect, is far less so. The music, relentlessly pentatonic, is pretty, but also rather demure, though the strangled-peacock cry of the Thai oboe cuts through the shimmering timbres of gong and xylophone like the warrior's sword-blade.

Inevitably, perhaps, this major piece in the evening is so truncated as to seem but a précis of the real thing, albeit the dressed, gleaming with the gold and tinsel and jewels and pearls, backcurved fingers and their interminable nail-bits, are ravishing. The dance after its first heraldic effect, is far less so. The music, relentlessly pentatonic, is pretty, but also rather demure, though the strangled-peacock cry of the Thai oboe cuts through the shimmering timbres of gong and xylophone like the warrior's sword-blade.

Inevitably, perhaps, this major piece in the evening is so truncated as to seem but a précis of the real thing, albeit the dressed, gleaming with the gold and tinsel and jewels and pearls, backcurved fingers and their interminable nail-bits, are ravishing. The dance after its first heraldic effect, is far less so. The music, relentlessly pentatonic, is pretty, but also rather demure, though the strangled-peacock cry of the Thai oboe cuts through the shimmering timbres of gong and xylophone like the warrior's sword-blade.

Inevitably, perhaps, this major piece in the evening is so truncated as to seem but a précis of the real thing, albeit the dressed, gleaming with the gold and tinsel and jewels and pearls, backcurved fingers and their interminable nail-bits, are ravishing. The dance after its first heraldic effect, is far less so. The music, relentlessly pentatonic, is pretty, but also rather demure, though the strangled-peacock cry of the Thai oboe cuts through the shimmering timbres of gong and xylophone like the warrior's sword-blade.

Inevitably, perhaps, this major piece in the evening is so truncated as to seem but a précis of the real thing, albeit the dressed, gleaming with the gold and tinsel and jewels and pearls, backcurved fingers and their interminable nail-bits, are ravishing. The dance after its first heraldic effect, is far less so. The music, relentlessly pentatonic, is pretty, but also rather demure, though the strangled-peacock cry of the Thai oboe cuts through the shimmering timbres of gong and xylophone like the warrior's sword-blade.

Inevitably, perhaps, this major piece in the evening is so truncated as to seem but a précis of the real thing, albeit the dressed, gleaming with the gold and tinsel and jewels and pearls, backcurved fingers and their interminable nail-bits, are ravishing. The dance after its first heraldic effect, is far less so. The music, relentlessly pentatonic, is pretty, but also rather demure, though the strangled-peacock cry of the Thai oboe cuts through the shimmering timbres of gong and xylophone like the warrior's sword-blade.

Inevitably, perhaps, this major piece in the evening is so truncated as to seem but a précis of the real thing, albeit the dressed, gleaming with the gold and tinsel and jewels and pearls, backcurved fingers and their interminable nail-bits, are ravishing. The dance after its first heraldic effect, is far less so. The music, relentlessly pentatonic, is pretty, but also rather demure, though the strangled-peacock cry of the Thai oboe cuts through the shimmering timbres of gong and xylophone like the warrior's sword-blade.

Inevitably, perhaps, this major piece in the evening is so truncated as to seem but a précis of the real thing, albeit the dressed, gleaming with the gold and tinsel and jewels and pearls, backcurved fingers and their interminable nail-bits, are ravishing. The dance after its first heraldic effect, is far less so. The music, relentlessly pentatonic, is pretty, but also rather demure, though the strangled-peacock cry of the Thai oboe cuts through the shimmering timbres of gong and xylophone like the warrior's sword-blade.

Inevitably, perhaps, this major piece in the evening is so truncated as to seem but a précis of the real thing, albeit the dressed, gleaming with the gold and tinsel and jewels and pearls, backcurved fingers and their interminable nail-bits, are ravishing. The dance after its first heraldic effect, is far less so. The music, relentlessly pentatonic, is pretty, but also rather demure, though the strangled-peacock cry of the Thai oboe cuts through the shimmering timbres of gong and xylophone like the warrior's sword-blade.

Inevitably, perhaps, this major piece in the evening is so truncated as to seem but a précis of the real thing, albeit the dressed, gleaming with the gold and tinsel and jewels and pearls, backcurved fingers and their interminable nail-bits, are ravishing. The dance after its first heraldic effect, is far less so. The music, relentlessly pentatonic, is pretty, but also rather demure, though the strangled-peacock cry of the Thai oboe cuts through the shimmering timbres of gong and xylophone like the warrior's sword-blade.

Inevitably, perhaps, this major piece in the evening is so truncated as to seem but a précis of the real thing, albeit the dressed, gleaming with the gold and tinsel and jewels and pearls, backcurved fingers and their interminable nail-bits, are ravishing. The dance after its first heraldic effect, is far less so. The music, relentlessly pentatonic, is pretty, but also rather demure, though the strangled-peacock cry of the Thai oboe cuts through the shimmering timbres of gong and xylophone like the warrior's sword-blade.

Inevitably, perhaps, this major piece in the evening is so truncated as to seem but a précis of the real thing, albeit the dressed, gleaming with the gold and tinsel and jewels and pearls, backcurved fingers and their interminable nail-bits, are ravishing. The dance after its first heraldic effect, is far less so. The music, relentlessly pentatonic, is pretty, but also rather demure, though the strangled-peacock cry of the Thai oboe cuts through the shimmering timbres of gong and xylophone like the warrior's sword-blade.

Inevitably, perhaps, this major piece in the evening is so truncated as to seem but a précis of the real thing, albeit the dressed, gleaming with the gold and tinsel and jewels and pearls, backcurved fingers and their interminable nail-bits, are ravishing. The dance after its first heraldic effect, is far less so. The music, relentlessly pentatonic, is pretty, but also rather demure, though the strangled-peacock cry of the Thai oboe cuts through the shimmering timbres of gong and xylophone like the warrior's sword-blade.

Inevitably, perhaps, this major piece in the evening is so truncated as to seem but a précis of the real thing, albeit the dressed, gleaming with the gold and tinsel and jewels and pearls, backcurved fingers and their interminable nail-bits, are ravishing. The dance after its first heraldic effect, is far less so. The music, relentlessly pentatonic, is pretty, but also rather demure, though the strangled-peacock cry of the Thai oboe cuts through the shimmering timbres of gong and xylophone like the warrior's sword-blade.

Inevitably, perhaps, this major piece in the evening is so truncated as to seem but a précis of the real thing, albeit the dressed, gleaming with the gold and tinsel and jewels and pearls, backcurved fingers and their interminable nail-bits, are ravishing. The dance after its first heraldic effect, is far less so. The music, relentlessly pentatonic, is pretty, but also rather demure, though the strangled-peacock cry of the Thai oboe cuts through the shimmering timbres of gong and xylophone like the warrior's sword-blade.

Inevitably, perhaps, this major piece in the evening is so truncated as to seem but a précis of the real thing, albeit the dressed, gleaming with the gold and tinsel and jewels and pearls, backcurved fingers and their interminable nail-bits, are ravishing. The dance after its first heraldic effect, is far less so. The music, relentlessly pentatonic, is pretty, but also rather demure, though the strangled-peacock cry of the Thai oboe cuts through the shimmering timbres of gong and xylophone like the warrior's sword-blade.

Inevitably, perhaps, this major piece in the evening is so truncated as to seem but a précis of the real thing, albeit the dressed, gleaming with the gold and tinsel and jewels and pearls, backcurved fingers and their interminable nail-bits, are ravishing. The dance after its first heraldic effect, is far less so. The music, relentlessly pentatonic, is pretty, but also rather demure, though the strangled-peacock cry of the Thai oboe cuts through the shimmering timbres of gong and xylophone like the warrior's sword-blade.

Inevitably, perhaps, this major piece in the evening is so truncated as to seem but a précis of the real thing, albeit the dressed, gleaming with the gold and tinsel and jewels and pearls, backcurved fingers and their interminable nail-bits, are ravishing. The dance after its first heraldic effect, is far less so. The music, relentlessly pentatonic, is pretty, but also rather demure, though the strangled-peacock cry of the Thai oboe cuts through the shimmering timbres of gong and xylophone like the warrior's sword-blade.

Inevitably, perhaps, this major piece in the evening is so truncated as to seem but a précis of the real thing, albeit the dressed, gleaming with the gold and tinsel and jewels and pearls, backcurved fingers and their interminable nail-bits, are ravishing. The dance after its first heraldic effect, is far less so. The music, relentlessly pentatonic, is pretty, but also rather demure, though the strangled-peacock cry of the Thai oboe cuts through the shimmering timbres of gong and xylophone like the warrior's sword-blade.

Inevitably, perhaps, this major piece in the evening is so truncated as to seem but a précis of the real thing, albeit the dressed, gleaming with the gold and tinsel and jewels and pearls, backcurved fingers and their interminable nail-bits, are ravishing. The dance after its first heraldic effect, is far less so. The music, relentlessly pentatonic, is pretty, but also rather demure, though the strangled-peacock cry of the Thai oboe cuts through the shimmering timbres of gong and xylophone like the warrior's sword-blade.

Inevitably, perhaps, this major piece in the evening is so truncated as to seem but a précis of the real thing, albeit the dressed, gleaming with the gold and tinsel and jewels and pearls, backcurved fingers and their interminable nail-bits, are ravishing. The dance after its first heraldic effect, is far less so.

FINANCIAL TIMES

BRACKEN HOUSE, CANNON STREET, LONDON EC4P 4BY
Telegrams: Finantimo, London PS4. Telex: 8954871
Telephone: 01-248 8000

Wednesday August 29 1984

Debt alarm overstated

BANK managers are often inclined to get over-excited about overdrafts, and it seems that Mr Jacques de Larosière, managing director of the International Monetary Fund, is no exception. This is partly because the diplomatic niceties demand the use of a blunderbuss where a small-bore rifle would be more appropriate; a message addressed primarily to the U.S. must be disguised as a general denunciation of international sin—a pretence which is likely to give even the financially sophisticated reader a twinge of alarm. He may also feel some justified alarm because the U.S. deficit has been getting a relatively good press recently, and there is growing reason to fear that a re-elected Reagan Administration will continue to practice benign neglect; we would agree with Mr de Larosière that such a strategy is not sustainable in the long run, and a renewed warning may be timely. But the danger—"a threat to the fabric of our society"—is surely overdone.

The text of the sermon is taken from the statistics produced by the IMF, which show that the ratio of public debt to national income has nearly doubled in the seven main industrialised countries in the last decade. This looks like a thoroughly alarming fact, but in truth it is a trick of perspective. It conveniently omits the fact that the ratio of debt to national income had been falling for more than two decades before 1972; in some cases spectacularly. In the UK, for example, the ratio had declined by nearly five-sixths in the previous three decades.

Oil shock

The text also conceals a special clause: after the first oil shock, the OECD governments as a group decided to let their public deficits rise sharply, part of the lesson discriminatory counter-part to the enormous Opec surplus which suddenly appeared. Subsequently, as the Opec surplus has melted away, most governments except the U.S. have taken sharp corrective action. In short, the ratio of debt to national income is quite low by historic standards at the moment, and many governments have already faced the unpalatable choices Mr de Larosière

Britain's trade unions divided

THE LACK of solidarity evident in both the miners' dispute and now in the attempt to organise a strike in Britain's docks highlights the critical issue which should be faced at the Trades Union Congress in Brighton next week. It is the representativeness of the trade union movement—the degree to which unions speak for their members. This is the dominant problem facing the British trade union movement today.

British trade unionism approaches its 118th annual congress in a mess. It is little regarded by Government, and especially little by the Prime Minister. It has only limited leverage over private employers, and generally not much more over the public sector. Union membership continues to fall (there are now fewer than 10m members of TUC-affiliated unions); and the Labour movement, though recovered from the trough of a Footed Labour Party, still can lay no claim to political or intellectual equality with the modern Conservative Party.

Initiative

Mr Len Murray, the retiring TUC general secretary, seized his chance after the 1983 election to do some much-needed repair work on his "new realisation" initiative supported by Mr David Bassett—but too few others—was aimed more at clearing the dangerously narrowing arteries between leaders and led at all levels in the union movement than (as it was advertised) getting a new relationship with Government. It never really took off: activist-dominated union leadership simply ignored the new mood at the top of the TUC, while the set-piece disputes at the Stockport Messenger and the Government's communications centre at Cheltenham seemed to suggest first, that union leaders paid a high price for exercising discrimination over which issues they supported, and second, that the Government had no interest in supporting responsible trade unionism anyway.

The miners' dispute, and now the attempted dockers' stoppage, have underscored with thick black lines the correctness of the Murray initiative. A miners' strike called without a ballot, a dockers' strike called against the judgment of many—perhaps

most—dockers, are classic instances of leaderships trying to use their members as political battering rams and attempting to overcome internal opposition by setting pickets on the more reluctant sections of that membership.

Consensus

If the feared scenes of violence erupt outside and inside of the Brighton conference chamber next week, it will be a sign of a convulsive struggle going on within the movement over the nature of its solidarity, how it should be expressed and how it should be marshalled.

Making sure that members are represented by their leaders, and hence avoiding the present debacles and the ever-spiralling violence is, of course, a simple matter. Trade union democracy, no more than democratic procedures anywhere else, are not merely a series of referenda delivering instructions to passive leaders. Leaders must give a lead, strategies and tactics, and seek to organise an effective consensus around their policies. It is here that the clash of politics, individual from the practice of free trade unionism lies. But at crucial times—and the withdrawal of labour is one such—members should be consulted in such ways as to ensure that the union's instruction gains at least passive acceptance from its members. The miners and the dockers have floated that principle, and all of the labour movement is paying for it.

The TUC general council, and Congress itself next week, has to grasp this mighty bull by the horns and bring it down. The need for members to be properly and fairly represented is not lessened by the existence of a Government which is not well disposed to the union movement, or by the need perceived by some union leaders on the left to destabilise or destroy that Government by industrial means. Modern union leaders are not 19th century generals who can command suicidal charges sooner or later, the rank and file will mutiny if for no other reason than they have not been asked. That home truth has been rubbed in by events better than Mr Murray could have done: it is time it was heeded.

Remnant makes good friends

Confessing he is "quite apprehensive" about some of the recent new linkages between institutions and personalities in the City of London, Lord Remnant, chairman of the fund management group Touche Remnant, says he would usually prefer to start with a "good friends relationship."

It has been just such an informal getting-together which has brought his company into a partnership with the mighty Bank of Tokyo, Japan's largest commercial bank on the international scene.

Yesterday their jointly owned baby called BOT Touche Remnant Asset Management opened for business in London to serve international investment clients in Asia. They prestige within three hours had won its first customer—a Singapore-based company with a Japanese parent.

The basis of the new business is that Bank of Tokyo finds the clients and Touche Remnant manages their funds. Tasuku Takagaki, chairman of the venture, and also currently managing director of the Bank of Tokyo in London (he returns to Tokyo shortly) said his bank had thought long and hard but had finally decided it must get into the business of international fund management.

"We have found ourselves having to turn away desirable business because of lack of expertise," he explained: a rueful admission for a banker.

Banks of Tokyo holds 51 per cent of BOT Touche Remnant Asset Management, and Touche Remnant has 49 per cent.

The god friends relationship

between the bank and the fund managers started three years ago when Touche Remnant appointed veteran Japanese banker Soichiro Yokoyama to its international advisory board for the Pacific Basin. Yokoyama used to be president and chairman of the Bank of Tokyo and is now an adviser to the bank.

The joint managing directors of BOT Touche Remnant Asset Management are Takahiro Fujino, director of general management of the Bank of Tokyo and was appalled and put his campaign for control of the journal into top gear. But yesterday that very issue of Red Tape won a first prize in the TUC's annual competition for trade union journals.

Perhaps wisely, Graham did not attend the Congress House reception to see the "Suckers!" item—"bold but controversial,"

in London, and David Carter of Touche Remnant. Carter, an American, spent a year with Touche Remnant in the mid-1970s before going off to the US office of the Bank of America. He returned to Touche Remnant two years ago

according to the three judges who won the Best Front Page award. The uncomfortable TUC high-ups at the reception Clive Bush, Red Tape's editor said: "The only pleasure I have is that we get more pleasure out of this than our general secretary, Alistair Graham—who unfortunately can't be here today." Brotherly stuff.

Red Tape triumphs

Allister Graham, beleaguered general secretary of Britain's largest civil service union, the Civil and Public Services Association, suffered a further knock yesterday, much to the embarrassment of officials serving the TUC's governing general council—on which he expects to sit for only a short while longer.

A left-wing coup inside Graham's bitterly-divided union has already ensured his removal from the general council after the end of next week's TUC congress in Brighton.

Part of the feeling against Graham among sections of the CPSA has been his long-running row with the left-wing editor of the union's official journal Ted Tape.

In particular, Graham took great exception to a Red Tape front page after last year's general election. Under a photograph of Mrs Thatcher a caption called union members "Suckers!" This was widely taken as an offensive reference to those members of the union who had voted Conservative.

Graham was appalled and put his campaign for control of the journal into top gear. But yesterday that very issue of Red Tape won a first prize in the TUC's annual competition for trade union journals.

The joint managing directors of BOT Touche Remnant Asset Management are Takahiro Fujino, director of general management of the Bank of Tokyo

and Ken Livingstone, meanwhile, who is looking to the voters of Paddington for a by-election victory which will return him to County Hall and enable him to resume the role of leader of the GLC, chose the occasion to

demonstrate in sartorial matters at least he is a conservative with a small "c."

Jeremy Corbyn, Labour MP for Islington North, the only member of the platform party not wearing a collar and tie, was reminded that his preference for casual dress had been criticised by a Tory MP in the Commons. Livingstone, clad in an immaculate suit and sporting a red tie, said "he had a point."

Hot lines

Harwell nodded and thus too

much radioactive waste was

brought to the nuclear rubbish bin at Drigg, Cumbria.

Another nuclear scandal?

Hardy. The irony this time is

that the radioactive waste came

from ordinary homes and

offices, is in the form of

plastic dials from the obsolete

Trimphone telephones, each of

which is illuminated with a

trace of radioactivity.

The scientists' problem is

that the radioactivity on the

phones is too weak to measure.

There is not enough to make

their instruments flicker.

But someone sent a batch of

60,000 dials off to Drigg and

the cumulative radioactivity of

the load exceeded statutory

limits—even though it was still

too low to be measured.

used in animal feed, for example. But demand for feed wheat is likely to slip this year as dairy farmers feed their cows less compound feed to cut costs in milk production.

That leaves a surplus

wheat—for export or intervention purchase—which could be as large as 7m tonnes. Despite what appears to be fairly buoyant export prospects for the EEC as a whole, many grain traders believe that Britain will succeed in exporting much more than the 2m tonnes of wheat it sold abroad in the 1983-84 marketing year.

Any move by the Com-

mission to tighten quality standards, as outlined above, would provoke howls of outrage in Britain. Large amounts of low-quality grain would be left sloshing around the domestic market and prices would fall further.

If it does not take some action to reduce the amount of cereals it is obliged to buy, the Commission will merely be faced with an extra store of grain and problems next year. UK traders are speculating that the same tonnes of wheat will be held over into the next marketing year from the UK alone, an unprecedented mountain for Britain.

mission to tighten quality standards, as outlined above, would provoke howls of outrage in Britain. Large amounts of low-quality grain would be left sloshing around the domestic market and prices would fall further.

If it does not take some action to reduce the amount of cereals it is obliged to buy, the Commission will merely be faced with an extra store of grain and problems next year. UK traders are speculating that the same tonnes of wheat will be held over into the next marketing year from the UK alone, an unprecedented mountain for Britain.

mission to tighten quality standards, as outlined above, would provoke howls of outrage in Britain. Large amounts of low-quality grain would be left sloshing around the domestic market and prices would fall further.

If it does not take some action to reduce the amount of cereals it is obliged to buy, the Commission will merely be faced with an extra store of grain and problems next year. UK traders are speculating that the same tonnes of wheat will be held over into the next marketing year from the UK alone, an unprecedented mountain for Britain.

mission to tighten quality standards, as outlined above, would provoke howls of outrage in Britain. Large amounts of low-quality grain would be left sloshing around the domestic market and prices would fall further.

If it does not take some action to reduce the amount of cereals it is obliged to buy, the Commission will merely be faced with an extra store of grain and problems next year. UK traders are speculating that the same tonnes of wheat will be held over into the next marketing year from the UK alone, an unprecedented mountain for Britain.

mission to tighten quality standards, as outlined above, would provoke howls of outrage in Britain. Large amounts of low-quality grain would be left sloshing around the domestic market and prices would fall further.

If it does not take some action to reduce the amount of cereals it is obliged to buy, the Commission will merely be faced with an extra store of grain and problems next year. UK traders are speculating that the same tonnes of wheat will be held over into the next marketing year from the UK alone, an unprecedented mountain for Britain.

mission to tighten quality standards, as outlined above, would provoke howls of outrage in Britain. Large amounts of low-quality grain would be left sloshing around the domestic market and prices would fall further.

If it does not take some action to reduce the amount of cereals it is obliged to buy, the Commission will merely be faced with an extra store of grain and problems next year. UK traders are speculating that the same tonnes of wheat will be held over into the next marketing year from the UK alone, an unprecedented mountain for Britain.

mission to tighten quality standards, as outlined above, would provoke howls of outrage in Britain. Large amounts of low-quality grain would be left sloshing around the domestic market and prices would fall further.

If it does not take some action to reduce the amount of cereals it is obliged to buy, the Commission will merely be faced with an extra store of grain and problems next year. UK traders are speculating that the same tonnes of wheat will be held over into the next marketing year from the UK alone, an unprecedented mountain for Britain.

mission to tighten quality standards, as outlined above, would provoke howls of outrage in Britain. Large amounts of low-quality grain would be left sloshing around the domestic market and prices would fall further.

If it does not take some action to reduce the amount of cereals it is obliged to buy, the Commission will merely be faced with an extra store of grain and problems next year. UK traders are speculating that the same tonnes of wheat will be held over into the next marketing year from the UK alone, an unprecedented mountain for Britain.

mission to tighten quality standards, as outlined above, would provoke howls of outrage in Britain. Large amounts of low-quality grain would be left sloshing around the domestic market and prices would fall further.

If it does not take some action to reduce the amount of cereals it is obliged to buy, the Commission will merely be faced with an extra store of grain and problems next year. UK traders are speculating that the same tonnes of wheat will be held over into the next marketing year from the UK alone, an unprecedented mountain for Britain.

mission to tighten quality standards, as outlined above, would provoke howls of outrage in Britain. Large amounts of low-quality grain would be left sloshing around the domestic market and prices would fall further.

If it does not take some action to reduce the amount of cereals it is obliged to buy, the Commission will merely be faced with an extra store of grain and problems next year. UK traders are speculating that the same tonnes of wheat will be held over into the next marketing year from the UK alone, an unprecedented mountain for Britain.

mission to tighten quality standards, as outlined above, would provoke howls of outrage in Britain. Large amounts of low-quality grain would be left sloshing around the domestic market and prices would fall further.

If it does not take some action to reduce the amount of cereals it is obliged to buy, the Commission will merely be faced with an extra store of grain and problems next year. UK traders are speculating that the same tonnes of wheat will be held over into the next marketing year from the UK alone, an unprecedented mountain for Britain.

mission to tighten quality standards, as outlined above, would provoke howls of outrage in Britain. Large amounts of low-quality grain would be left sloshing around the domestic market and prices would fall further.

If it does not take some action to reduce the amount of cereals it is obliged to buy, the Commission will merely be faced with an extra store of grain and problems next year. UK traders are speculating that the same tonnes of wheat will be held over into the next marketing year from the UK alone, an unprecedented mountain for Britain.

mission to tighten quality standards, as outlined above, would provoke howls of outrage in Britain. Large amounts of low-quality grain would be left sloshing around the domestic market and prices would fall further.

If it does not take some action to reduce the amount of cereals it is obliged to buy, the Commission will merely be faced with an extra store of grain and problems next year. UK traders are speculating that the same tonnes of wheat will be held over into the next marketing year from the UK alone, an unprecedented mountain for Britain.

mission to tighten quality standards, as outlined above, would provoke howls of outrage in Britain. Large amounts of low-quality grain would be left sloshing around the domestic market and prices would fall further.

If it does not take some action to reduce the amount of cereals it is obliged to buy, the Commission will merely be faced with an extra store of grain and problems next year. UK traders are speculating that the same tonnes of wheat will be held over into the next marketing year from the UK alone, an unprecedented mountain for Britain.

mission to tighten quality standards, as outlined above, would provoke howls of outrage in Britain. Large amounts of low-quality grain would be left sloshing around the domestic market and prices would fall further.

If it does not take some action to reduce the amount of cereals it is obliged to buy, the Commission will merely be faced with an extra store of grain and problems next year. UK traders are speculating that the same tonnes of wheat will be held over into the next marketing year from the UK alone, an unprecedented mountain for Britain.

mission to tighten quality standards, as outlined above, would provoke howls of outrage in Britain. Large amounts of low-quality grain would be left sloshing around the domestic market and prices would fall further.

If it does not take some action to reduce the amount of cereals it is obliged to buy, the Commission will merely be faced with an extra store of grain and problems next year. UK traders are speculating that the same tonnes of wheat will be held over into the next marketing year from the UK alone, an unprecedented mountain for Britain.

mission to tighten quality standards, as outlined above, would provoke howls of outrage in Britain. Large amounts of low-quality grain would be left sloshing around the domestic market and prices would fall further.

ISRAEL'S ECONOMIC CRISIS

The dangers of just drifting

By David Lennon in Tel Aviv

A DRASTIC fall in Israel's foreign currency reserves last month has set alarm bells ringing afresh in the Treasury and at the Bank of Israel over the state of the economy.

But the warning signals have gone unheeded by the country's political leaders, who are so busy trying to break the deadlock created by last month's general elections that they have little time for anything else.

The country is being run by an interim Government which is unable to implement the urgent steps needed to halt the economic decline.

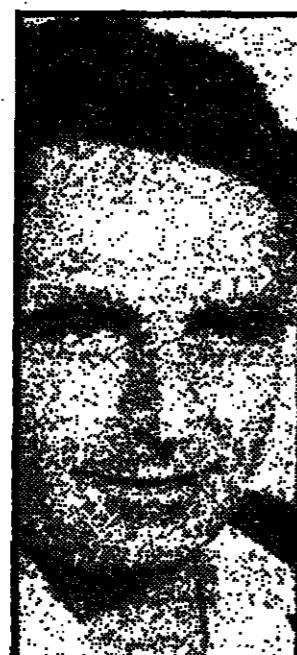
The insouciance of the politicians has baffled many local and foreign observers. But the politicians are firmly convinced that they will be rescued by American largesse.

During U.S. election campaigns American politicians always won the Jewish vote by being nice to Israel. Some basis for the Israeli politicians' hopes is provided by Washington's willingness to try to conclude negotiations on a unique free trade agreement quickly before the elections.

American generosity will be needed. As a U.S. State Department report points out: "Economic developments in Israel during 1983 were characterised by continued deterioration in almost all areas." And the deterioration has accelerated this year. The crisis of confidence has been accentuated by a dangerous drop in foreign currency reserves from \$3.7bn at the end of 1983 to \$2.6bn at the end of July. This is well below the \$3bn level generally regarded as the minimum needed to cover three months' imports of basic commodities.

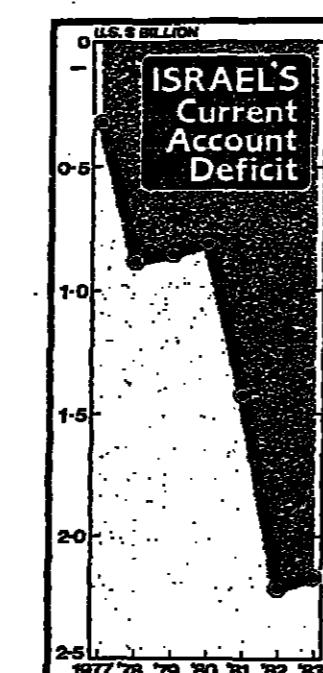
The situation is even worse than these figures suggest, for they were drawn up by the Bank of Israel under a new accounting system which boosts July reserves by \$325m. The fact that the Government tried to cover up the extent of the drop by the new accounting system has dealt a further major blow to public and international confidence in the economy.

The balance of payments deficit reached \$5.2bn last year—\$500m greater than in 1982—largely because of a decline in exports and a rise in civilian imports.



Finance Minister Cohen-Orgad: balance of payments priority

The politicians are firmly convinced that they will be rescued by American largesse



The position improved in the first half of this year as exports fell 10 per cent and imports declined by 4 per cent.

However, this one bit of cheering news has been tempered by the fact that in the four months from April to July, exports growth has slowed down.

This is particularly worrying

because the treasury believes that the payments deficit is the most serious problem facing the country, when it took office last autumn. Mr Yigal Cohen-Orgad, the Finance Minister, reversed the Treasury's priorities by making the battle to cut the deficit his number one priority, demoting the fight against inflation to a secondary position.

Israel covers its current account deficit with financing from various sources. Last year these included approximately \$2.2bn in drawdowns of economic and military assistance from the U.S., plus donations from Jewish communities

His limited, and perhaps temporary, success over the payments deficit has not been matched in other fields. Divisions within the cabinet, and the decision to hold early elections this summer, forced the minister to ease back on his corrective policies, especially planned cuts in government spending and an erosion of real wages. These were designed to lower inflation. Instead it has doubled to 400 per cent.

Israel covers its current

account deficit with financing from various sources. Last year these included approximately \$2.2bn in drawdowns of economic and military assistance from the U.S., plus donations from Jewish communities

to the nearest palmistry tent will be just as effective as employment of all the paraphernalia of futurology, but a lot cheaper.

Peter W. Beck,
15 Belgrave Square, SW1.

Playing games with the Press

From the Publicity Director, Mirror Group Newspapers

Sir—Clive Wolman's article (August 25) could give your readers a very false impression of the chances of becoming the winner of our film Who Dares Wins game.

He wrote that the chances of winning the Mirror's film guaranteed prize are only one in five billion if eight digits are used. His calculation is based on the assumption since Mr Wolman is ignorant of our game's structure. That structure, as he knows, is a trade secret of the game's creators, Knightway Promotions, who told Mr Wolman that his supposition bears no relation to reality.

He then claims that in the Mirror's second game, where the top prize is £50,000, and which involves matching a block

of six different symbols in a specific pattern, the odds against success are three billion to one. The true figure is nearer 60,466,176. This may still seem formidable, but as all 250 cards are in play, a winner for each of the four blocks would be generated every 2.41 days, not every three years as Mr Wolman calculates.

The Daily Mirror, Daily Express and Sun guaranteed at least one film winner each. The Sun, panicked by the Daily Mirror, produced its first. The Mirror's winner will be announced in days rather than weeks. The Express has committed itself to find a winner during October.

Mr Wolman and the Financial Times know that these public pledges will all be honoured. John Jenkinson, MGN, Holborn Circus, EC1.

Independent regional operations

From the Managing Director, Air UK

Sir—May I add one point to Michael Bishop's letter (August 21) in response to that of Mr Varndell and Mr Clarry of the British Airways Trade Union Council (August 14). Commenting on the fact that between 1978-82 British Airways increased the number of destinations it served from Manchester from 12 to 16, the latter state that "in no case did any other UK operator take over any of those services suspended."

He then claims that in the Mirror's second game, where the top prize is £50,000, and which involves matching a block

of six different symbols in a specific pattern, the odds against success are three billion to one. The true figure is nearer 60,466,176. This may still seem formidable, but as all 250 cards are in play, a winner for each of the four blocks would be generated every 2.41 days, not every three years as Mr Wolman calculates.

The result was a public condemnation of this misuse of ratepayers' money, with 88 per cent interviewed against, only 8 per cent in favour and 4 per cent don't know. There is all-party opposition to this spending, with 94 per cent of Conservatives and 91 per cent of Alliance voters against, so are 86 per cent of Labour voters.

Greater London Council is the biggest spender on political propaganda with about £10m committed to its anti-abortion campaign. The metropolitan counties are spending about £2m to preserve themselves.

The Association of London Authorities is preparing a £300,000 campaign to fight rate-capping. In total, about £15m of ratepayers' money is being spent on an endless deluge of political propaganda.

Our poll results gives strong ammunition for the Government to stop this abuse, by making this type of spending illegal.

Lady Porter,
25, Seville Row, W1.

Ancient Greeks and futurology

From the Chairman, Society for Strategic and Long Range Planning

Sir—Michael Prowse's article on long-term forecasting (August 17) is a useful reminder of one of the aberrations of the 1980s: that by the use of logic and complex models, models can forecast the future—and that such forecasts are essential if managements are to take long-term decisions. Notwithstanding the terrible track record of most forecasts, this view is still widely held. Many might therefore conclude from the article that by learning from the mistakes made in the 1980s one can develop better forecast of the next 20 years. Alternatively, some managers might feel that, if Unilever, with all its resources could get it so wrong, the future is just not worth thinking about and that it is therefore best to funk long-term forecasts.

And this is where the ancient Greeks come in. They—and most civilisations down to our day—accepted that prediction required supernatural powers; it was Apollo, not the priestesses who devised the Delphic oracles. Cassandra was given the powers of foresight by Apollo but also a curse ensuring that no one would believe her. Indeed, her forecasts could only be fulfilled because she was not believed. The curse is still upon the forecasts.

The only firm prediction one can make is that firm forecasts of events affected by human unpredictability will never be possible. But this does not mean that managers should not look at the future when considering their decisions. To be able to debate the future intelligently and to achieve an understanding

of the forces likely to shape it, is an essential task for the good manager. The moment he presumes that he knows what is going to happen, he arrogates to himself superhuman qualities.

Of course, some managers may never be weaned away from needing firm predictions of the future. To them I suggest that the services of Madame Rose from the nearest palmistry tent will be just as effective as employment of all the paraphernalia of futurology, but a lot cheaper.

Peter W. Beck,
15 Belgrave Square, SW1.

Playing games with the Press

From the Publicity Director, Mirror Group Newspapers

Sir—Clive Wolman's article (August 25) could give your readers a very false impression of the chances of becoming the winner of our film Who Dares Wins game.

He wrote that the chances of winning the Mirror's film guaranteed prize are only one in five billion if eight digits are used. His calculation is based on the assumption since Mr Wolman is ignorant of our game's structure. That structure, as he knows, is a trade secret of the game's creators, Knightway Promotions, who told Mr Wolman that his supposition bears no relation to reality.

He then claims that in the Mirror's second game, where the top prize is £50,000, and which involves matching a block

of six different symbols in a specific pattern, the odds against success are three billion to one. The true figure is nearer 60,466,176. This may still seem formidable, but as all 250 cards are in play, a winner for each of the four blocks would be generated every 2.41 days, not every three years as Mr Wolman calculates.

The result was a public condemnation of this misuse of ratepayers' money, with 88 per cent interviewed against, only 8 per cent in favour and 4 per cent don't know. There is all-party opposition to this spending, with 94 per cent of Conservatives and 91 per cent of Alliance voters against, so are 86 per cent of Labour voters.

Greater London Council is the biggest spender on political propaganda with about £10m committed to its anti-abortion campaign. The metropolitan counties are spending about £2m to preserve themselves.

The Association of London Authorities is preparing a £300,000 campaign to fight rate-capping. In total, about £15m of ratepayers' money is being spent on an endless deluge of political propaganda.

Our poll results gives strong ammunition for the Government to stop this abuse, by making this type of spending illegal.

Lady Porter,
25, Seville Row, W1.

Deterrent strategies may equally result in the unthinkable

From Mr D. Earnshaw

Sir—David Cormack is mistaken (August 14); it is also unfortunate he does not stretch his logic a little further. Both flexible response and mutually assured destruction (MAD) as deterrent strategies, may equally result in the "unthinkable". Limited nuclear war is not necessarily the final gradation of flexible response (though if adversaries managed to hold escalation at this level that would be a marginally more acceptable state of affairs than otherwise).

Nor does flexible response destabilise deterrence. Indeed, it arguably offers a sounder basis for deterrence than its predecessor, the MAD doctrine.

Because it permits a more appropriate and measured retaliation, flexible response absolves decision makers from the zero-sum choice they faced when MAD was the only response available. Decision

makers are less encumbered with doubts as to the propriety of retaliatory actions, precisely because that retaliation would be, at least initially (and hopefully only) conventional.

Retaliatory strikes are the MAD

strategy created uncertainty about whether a nuclear response would in actual fact result. This undermined both deterrence and the value of the MAD doctrine.

Flexible response is more credible because it does not from the outset create a "no-win situation".

Mr Cormack rightly points to the question a potential aggressor may ask himself. Perceptions of an actor's intentions are an important motivation in state behaviour (though this often seems to be overlooked by east and west alike). However, the perception of itself which NATO has apparently sought to engender among its adversaries is, in this regard, not one of uncertainty (and rightly so). Deterrence rests on the perception by the aggressor that eventually (under the current doctrine, immediately with MAD) the response will be nuclear. The

MAD strategy created uncertainty about whether a nuclear response would in actual fact result. This undermined both deterrence and the value of the MAD doctrine.

Flexible response is more credible because it does not from the outset create a "no-win situation".

Mr Cormack rightly points to the question a potential aggressor may ask himself. Perceptions of an actor's intentions are an important motivation in state behaviour (though this often seems to be overlooked by east and west alike). However, the perception of itself which NATO has apparently sought to engender among its adversaries is, in this regard, not one of uncertainty (and rightly so). Deterrence rests on the perception by the aggressor that eventually (under the current doctrine, immediately with MAD) the response will be nuclear. The

onus and politically significant peace movement. The latter have succeeded in creating further doubts about American intentions.

There is now a debate over

defence and disarmament in Western Europe. This is welcome. It may be more constructive, however, were it

vitiated less by claims to moral

respectability, such as those

attempts to pass off the

peace movement as

the "most important factor in

international politics".

It is encouraging that the

peoples of Europe are

beginning to take a more

realistic view of the

international political

environment

and

the

role of

the

United

Nation

in

international politics.

London • Amsterdam • Copenhagen • Hanover • Milan • New York • Oslo • Paris • San Francisco

Stockholm • Vienna • Zurich

Worker buy-outs

The lessons America can teach Britain

By Keith Bradley

THE WORKER buy-out of the National Freight Company has focused attention on employee ownership, a subject which has been all but dead in Britain following the disappointing experience with government-backed worker takeovers in 1974 at Triumph Meriden, Kirby Manufacturing and the Scottish Daily News.

Government assistance for employee buy-outs has never been viewed in Britain as a serious option, yet the political and economic pay-offs could be considerable.

The guidelines speak of cutting government spending, reducing the size of the public sector, encouraging production for export and ensuring that income only goes to those who work.

Whoever takes over the Treasury will find that its staff have an austerity programme prepared for implementation. Mr Cohen-Orgad would like to see this imposed right away, but his chances of winning the approval of the outgoing cabinet are very slim.

The proposed measures include cutting the \$20bn Government budget by about \$1bn, raising value added tax from 15 to 20 per cent, reimposing property taxes, slashing subsidies on basic commodities by 50 per cent, abolishing free high school education and doubling university grants.

These measures will force a cut in living standards which have risen much faster than productivity in recent years: private consumption grew 27 per cent in the past three years, while GNP rose by only 3 per cent.

Even so, if the expected American assistance is forthcoming, the average Israeli will not have to pay the full price of the country's past profligacy.

The primary requirement is

the establishment of a stable new government. Frustration over the lengthy political process required for this is evident in conversations with U.S. officials who want to help Israel and believe that every extra day of inaction will only make the situation worse.

The result was a public call for a new government to be established by the end of the year, with the U.S. dollar becoming public.

Without calling on public funds, similar packages have been negotiated by several U.S. airlines following deregulation.

The number of employees who have agreed to give up

wages and benefits for shares is

considerable. Workers involved in recent U.S. cases



The opportunities to develop your business could be far greater in Newport.
Contact Gareth Isaac, Borough of Newport, Civic Centre, Newport, Gwent NP14UR. Tel: 0633-66906.

FINANCIAL TIMES

Wednesday August 29 1984



GLOOMY ECONOMIC WARNING FROM S. AFRICA RESERVE BANK CHIEF

Overspending threatens SA policy

BY JIM JONES IN JOHANNESBURG

SOUTH AFRICA must be prepared to accept economic recession and accelerating inflation in the short term, said Dr Gerhard de Kock, the Governor of the South African Reserve Bank in Pretoria yesterday.

The recession, he told the annual meeting of the Reserve Bank, will result from the combined action of natural economic forces and the Reserve Bank's present tight monetary policy.

A further rise in the rate of inflation will be the inevitable consequence of overspending and the large depreciation of the rand over the past year.

The South African Reserve Bank has only recently adopted an adequately restrictive policy stance, Dr de Kock said. Its intermediate objective was to reduce further the rate of increase of money supply aggregates in line with the authorities' recently-established main policy emphasis of curbing inflation.

Poll among Indians draw low turnout

BY OUR JOHANNESBURG CORRESPONDENT

SOUTH AFRICA'S Indian community recorded a low turnout in elections yesterday for its separate house of parliament under the country's new constitution.

By evening it appeared that the percentage poll would be lower than the 30 per cent of registered voters reached in last Wednesday's elections among the coloured (mixed-race) population. Police meanwhile continued a crackdown against anti-election demonstrators, and a number of groups monitoring voting outside polling booths were broken up by tear gas and baton charges.

Bank of Tokyo UK investment link

BY BARRY RILEY IN LONDON

THE BANK of Tokyo and Touche Remnant, of the UK, have set up a joint venture international investment management operation in what is claimed to be the first ever collaboration between a major Japanese commercial bank and a London fund management house.

BOT Touche Remnant Asset Management (BTTR) was formed in London yesterday after a lengthy wait for the approval of the Japanese authorities. A majority stake of 51 per cent will be held by the Japanese bank, under an initial 10-year agreement.

Strict Japanese banking regulations prevent commercial banks from entering the domestic securities business, so the new company's services will only be marketed through the overseas branch network of Bank of Tokyo. BTTR's first client is the Singapore subsidiary of a Japanese parent.

The bank's move reflects its policy of developing a complete range of international services. Although it is Japan's leading overseas bank, with a network of more than 250 offices outside Japan, it has until now possessed no expertise in international investment management, and has had to turn such business away.

Its chosen London partner is a fast-growing independent fund management business which controls assets of about £2bn (\$2.6bn). Touche Remnant originated in the investment trust movement, but recently has diversified into unit trusts, and the management of portfolios for pension funds and private clients.

It has placed great emphasis on international investment, with overseas stocks accounting for more than half the equities in its portfolio.

Initial business from the Bank of Tokyo link is expected to include the management of portfolios for insurance companies and pension funds, and in due course BTTR is expected to launch specialist funds aimed at private individuals. Services will cover equities and bonds.

Dr de Kock said that in the past year controlling inflation was accorded a lower priority than that given to correcting the balance of payments and protecting South Africa's gold and foreign exchange reserves.

This particular strategy was carried out in a way which was calculated not to exert undue contractionary pressure on domestic economic activity. Had the prime policy aim been to curb inflation, the value of the rand would have been defended more vigorously by means of interest rate and tax increases and other deflationary measures regardless of the effect on output and employment, Dr de Kock said.

While adopting a cautious approach to immediate economic developments, Dr de Kock believed that the current policies are already having a positive effect. The depreciation of the rand, has been arrested,

if not reversed. He looked forward to a substantial current account surplus in 1985 as imports fall and exports rise.

Present indications are that gross domestic product will rise by 3 per cent this year in real terms and at a somewhat lower rate in 1985. Once inflation is controlled and the balance of payments has improved, the way will be open for more rapid and sustainable growth in ensuing years.

Proper implementation of the present economic policies will depend on the Government preventing its total spending and deficit before borrowing from assuming very large proportions until 1986.

Dr de Kock said that he could not over-emphasise the critical need for cutting back public sector spending whether by privatisation of state-owned industries, the termination of certain services or the retrenchment of less productive staff.

Mortgage rates have risen in line and are now about 20 per cent. Hire purchase interest rates are in the region of 30 per cent.

ers were replying by throwing rocks and petrol bombs at the polling stations in 19 different areas, as anti-election campaigners and police clashed.

In Lenasia, an Indian dormitory suburb to the west of Johannesburg, police were engaged in pitched battles with demonstrators during the late afternoon and early evening. Police were reportedly firing tear smoke canisters at protesters every few seconds. The protest

interest rates in South Africa are among the highest in the world. Early this month, Dr de Kock, Mr Barend du Plessis, the Minister of Finance, and Mr Dawie de Villiers, the Minister of Commerce and Industries, announced austerity measures to reduce sharply consumer spending and cut the country's rising inflation rate.

The austerity measures included curbs on hire purchase contracts and a 3 per cent increase to 22 per cent in the reserve bank's rediscount rate - the rate at which it accommodates commercial banks.

The re-discount rate increase was immediately followed by a 3 per cent increase from 22 per cent to 25 per cent in prime overdraft lending rates charged by the commercial banks.

Mortgage rates have risen in line and are now about 20 per cent. Hire purchase interest rates are in the region of 30 per cent.

This was seen as an early indication that the percentage poll at the Indian election would be higher than the 30 per cent of registered voters who cast their ballots in last Wednesday's coloured elections.

Demographic factors were also expected to favour a relatively high Indian turnout. Indians are generally employed in white-collar jobs or are self-employed, whereas the coloured population is largely blue-collar. The Indians were believed to have a greater interest in promoting South Africa's new constitutional developments, which tend to preserve the status quo under white rule.

Bond Corporation has given guarantees to Airship's bankers in respect of further short-term finance. Longer-term guarantees will be conditional on Airship's other shareholders accepting the terms of the rescue package.

The details of the package are complex. Units comprising one preference share of 1p and convertible loan stock of 55p nominal will be redeemed at 10p each.

The redemption will be financed by the issue to Bond Corporation of £25.7m in ordinary shares of 1p each at par.

These new shares will rank equally in all respects with the existing 25p shares.

Bond Corporation is also making an offer for the whole of the existing ordinary capital of Airship, at 1p per 25p share. It is not proposed that dealings on the Unlisted Securities Market (where Airship was quoted before suspension) should be resumed after the reconstruction.

It is proposed that holders of the convertible units should be given the opportunity to buy the new 1p ordinary shares at par, subject to the requirement that the Bond Corporation stake should not fall below 75 per cent.

It was suggested by Hambros, Airship's financial adviser, that many of the company's other shareholders would take advantage of the offer.

Bond Corp to take control of Airship Industries

By Tony Jackson in London

AIRSHIP INDUSTRIES, the financially troubled airship manufacturer, is to be taken over by Australian entrepreneur Mr Alan Bond.

Mr Bond is Airship's biggest shareholder, holding 31 per cent of the shares through his company Bond Corporation. As a result of a capital reconstruction announced yesterday, his company will hold between 75 and 100 per cent.

Airship's shares were suspended on the London Stock Exchange last Monday, at 31p (40 cents).

Yesterday's statement makes clear that as a result of delays in Airship's sales and leasing agreements, the company had reached a point of being unable to trade without a further cash injection.

Bond Corporation has given guarantees to Airship's bankers in respect of further short-term finance.

Longer-term guarantees will be conditional on Airship's other shareholders accepting the terms of the rescue package.

The details of the package are complex. Units comprising one preference share of 1p and convertible

loan stock of 55p nominal will be redeemed at 10p each.

The redemption will be financed by the issue to Bond Corporation of £25.7m in ordinary shares of 1p each at par.

These new shares will rank

equally in all respects with the existing 25p shares.

Bond Corporation is also making an offer for the whole of the existing ordinary capital of Airship, at 1p per 25p share. It is not proposed that dealings on the Unlisted Securities Market (where Airship was quoted before suspension) should be resumed after the reconstruction.

It is proposed that holders of the convertible units should be given the opportunity to buy the new 1p ordinary shares at par, subject to the requirement that the Bond Corporation stake should not fall below 75 per cent.

It was suggested by Hambros, Airship's financial adviser, that many of the company's other shareholders would take advantage of the offer.

The details of the package are complex. Units comprising one preference share of 1p and convertible

loan stock of 55p nominal will be redeemed at 10p each.

The redemption will be financed by the issue to Bond Corporation of £25.7m in ordinary shares of 1p each at par.

These new shares will rank

equally in all respects with the existing 25p shares.

Bond Corporation is also making an offer for the whole of the existing ordinary capital of Airship, at 1p per 25p share. It is not proposed that dealings on the Unlisted Securities Market (where Airship was quoted before suspension) should be resumed after the reconstruction.

It is proposed that holders of the convertible units should be given the opportunity to buy the new 1p ordinary shares at par, subject to the requirement that the Bond Corporation stake should not fall below 75 per cent.

It was suggested by Hambros, Airship's financial adviser, that many of the company's other shareholders would take advantage of the offer.

The details of the package are complex. Units comprising one preference share of 1p and convertible

loan stock of 55p nominal will be redeemed at 10p each.

The redemption will be financed by the issue to Bond Corporation of £25.7m in ordinary shares of 1p each at par.

These new shares will rank

equally in all respects with the existing 25p shares.

Bond Corporation is also making an offer for the whole of the existing ordinary capital of Airship, at 1p per 25p share. It is not proposed that dealings on the Unlisted Securities Market (where Airship was quoted before suspension) should be resumed after the reconstruction.

It is proposed that holders of the convertible units should be given the opportunity to buy the new 1p ordinary shares at par, subject to the requirement that the Bond Corporation stake should not fall below 75 per cent.

It was suggested by Hambros, Airship's financial adviser, that many of the company's other shareholders would take advantage of the offer.

The details of the package are complex. Units comprising one preference share of 1p and convertible

loan stock of 55p nominal will be redeemed at 10p each.

The redemption will be financed by the issue to Bond Corporation of £25.7m in ordinary shares of 1p each at par.

These new shares will rank

equally in all respects with the existing 25p shares.

Bond Corporation is also making an offer for the whole of the existing ordinary capital of Airship, at 1p per 25p share. It is not proposed that dealings on the Unlisted Securities Market (where Airship was quoted before suspension) should be resumed after the reconstruction.

It is proposed that holders of the convertible units should be given the opportunity to buy the new 1p ordinary shares at par, subject to the requirement that the Bond Corporation stake should not fall below 75 per cent.

It was suggested by Hambros, Airship's financial adviser, that many of the company's other shareholders would take advantage of the offer.

The details of the package are complex. Units comprising one preference share of 1p and convertible

loan stock of 55p nominal will be redeemed at 10p each.

The redemption will be financed by the issue to Bond Corporation of £25.7m in ordinary shares of 1p each at par.

These new shares will rank

equally in all respects with the existing 25p shares.

Bond Corporation is also making an offer for the whole of the existing ordinary capital of Airship, at 1p per 25p share. It is not proposed that dealings on the Unlisted Securities Market (where Airship was quoted before suspension) should be resumed after the reconstruction.

It is proposed that holders of the convertible units should be given the opportunity to buy the new 1p ordinary shares at par, subject to the requirement that the Bond Corporation stake should not fall below 75 per cent.

It was suggested by Hambros, Airship's financial adviser, that many of the company's other shareholders would take advantage of the offer.

The details of the package are complex. Units comprising one preference share of 1p and convertible

loan stock of 55p nominal will be redeemed at 10p each.

The redemption will be financed by the issue to Bond Corporation of £25.7m in ordinary shares of 1p each at par.

These new shares will rank

equally in all respects with the existing 25p shares.

Bond Corporation is also making an offer for the whole of the existing ordinary capital of Airship, at 1p per 25p share. It is not proposed that dealings on the Unlisted Securities Market (where Airship was quoted before suspension) should be resumed after the reconstruction.

It is proposed that holders of the convertible units should be given the opportunity to buy the new 1p ordinary shares at par, subject to the requirement that the Bond Corporation stake should not fall below 75 per cent.

It was suggested by Hambros, Airship's financial adviser, that many of the company's other shareholders would take advantage of the offer.

The details of the package are complex. Units comprising one preference share of 1p and convertible

loan stock of 55p nominal will be redeemed at 10p each.

The redemption will be financed by the issue to Bond Corporation of £25.7m in ordinary shares of 1p each at par.

These new shares will rank

equally in all respects with the existing 25p shares.

Bond Corporation is also making an offer for the whole of the existing ordinary capital of Airship, at 1p per 25p share. It is not proposed that dealings on the Unlisted Securities Market (where Airship was quoted before suspension) should be resumed after the reconstruction.

It is proposed that holders of the convertible units should be given the opportunity to buy the new 1p ordinary shares at par, subject to the requirement that the Bond Corporation stake should not fall below 75 per cent.

It was suggested by Hambros, Airship's financial adviser, that many of the company's other shareholders would take advantage of the offer.

The details of the package are complex. Units comprising one preference share of 1p and convertible

loan stock of 55p nominal will be redeemed at 10p each.

The redemption will be financed by the issue to Bond Corporation of £25.7m in ordinary shares of 1p each at par.

These new shares will rank

equally in all respects with the existing 25p shares.

Bond Corporation is also making an offer for the whole of the existing ordinary capital of Airship, at 1p per 25p share. It is not proposed that dealings on the Unlisted Securities Market (where Airship was quoted before suspension) should be resumed after the reconstruction.

It is proposed that holders of the convertible units should be given the opportunity to buy the new 1p ordinary shares at par, subject to the requirement that the Bond Corporation stake should not fall below 75 per cent.

It was suggested by Hambros, Airship's financial adviser, that many of the company's other shareholders would take advantage of the offer.

The details of the package are complex. Units comprising one preference share of 1p and convertible

loan stock of 55p nominal will be redeemed at 10p each.

The redemption will be financed by the issue to Bond Corporation of £25.7m in ordinary shares of 1p each at par.



SECTION II - COMPANIES AND MARKETS

FINANCIAL TIMES

Wednesday August 29 1984

WALL STREET

Steady mood follows more assessment

A STEADIER mood emerged in Wall Street financial markets yesterday after the slide of the previous session although the level of trading remained modest, writes Michael Morgan in New York.

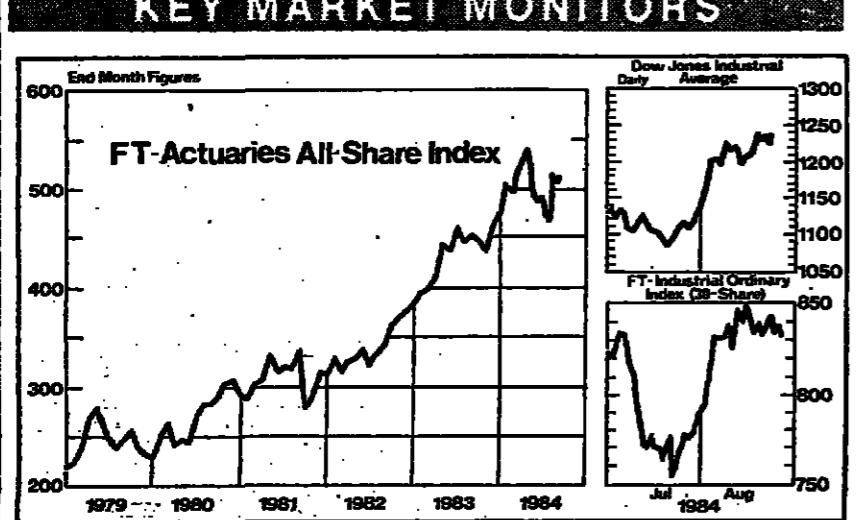
The stock market opened marginally easier as it set about digesting the recent gains, following Monday's setback.

However, stocks began to move ahead by mid-afternoon, and at the close the Dow Jones industrial average was up 4.19 at 1,232.11 — the best level of the day. Trading volume totalled almost 71m shares, up from Monday's 58.1m, with advancing issues pulling ahead to finish with a 3 to 2 lead over declines.

One analyst described the lack of selling in the market as very encouraging. Reflecting the broader market, the American Stock Exchange index added 1.81 to 213.74.

In the credit markets, prices posted moderate gains in the wake of a federal funds rate that opened lower at 11 1/4 per cent and eased further to 11 1/4 per cent. At the longer end, the key treasury long bond, the 12 1/2 per cent of 2014, added 1/2 to 99 3/4.

KEY MARKET MONITORS



STOCK MARKET INDICES			
NEW YORK	Aug 28	Previous	Year ago
DJ Industrials	1,232.11	1,227.92	1,192.07
DJ Transport	520.08	516.85	532.05
DJ Utilities	129.51	129.28	131.07
S&P Composite	167.40	167.51	162.14
LONDON			
FT Ind Ord	832.4	836.8	716.3
FT-SE 100	1,092.3	1,097.2	884.2
FT-A All-share	510.97	513.11	454.52
FT-A 500	553.08	555.89	492.47
FT-Gold mines	581.0	570.9	685.8
FT-A Long gilt	10.58	10.58	10.75
TOKYO			
Nikkei-Dow	10,575.19	10,588.72	9,145.54
Tokyo SE	816.58	815.94	677.6
AUSTRALIA			
All Ord.	739.1	744.7	696.7
Metals & Mins.	471.1	476.0	554.5
AUSTRIA			
Credit Aktion	53.11	53.24	55.3
BELGIUM			
Belgian SE	158.34	157.27	133.44
CANADA			
Aug 28	Prev.	Yr ago	
Toronto			
Metals & Mins	2,057.8	2,069.8	—
Composite	2,578.1	2,364.9	2,441.3
Montreal			
Portfolio	117.20	117.16	118.29
DENMARK			
Copenhagen SE	167.83	168.69	162.16
FRANCE			
CAC Gen	170.5	171.0	136.7
Ind. Tendance	109.8	110.0	85.7
WEST GERMANY			
FAZ-Aktien	337.75	338.68	313.36
Commerzbank	981.0	984.4	927.5
HONG KONG			
Hang Seng	886.91	883.89	981.8
ITALY			
Banca Com.	219.84	219.52	204.39
NETHERLANDS			
ANP-CBS Gen	164.1	165.6	137.3
ANP-CBS Ind	131.0	132.8	113.1
NORWAY			
Oslo SE	282.08	288.35	200.11
SINGAPORE			
Straits Times	920.83	928.78	968.57
SOUTH AFRICA			
Gold	982.4	988.1	851.1
Industries	900.1	888.5	825.3
SPAIN			
Madrid SE	137.44	137.72	115.18
SWEDEN			
J & P	1,489.01	1,500.42	1,463.11
SWITZERLAND			
Swiss Bank Ind	377.3	380.5	332.3
WORLD			
Aug 24	Prev	Yearago	
Capital Int'l	184.3	185.1	176.9
GOLD (per ounce)			
London	August 28	Prev	
	\$350.60	\$350.188	
Frankfurt	\$349.75	n/a	
Zürich	\$349.75	n/a	
Paris (fixing)	\$348.58	\$350.99	
Luxembourg (fixing)	\$346.20	\$351.20	
New York (Aug.)	\$348.70	\$348.60	

* latest available figure

At the short end, the yield on the three-month Treasury bills added four basis points from Monday's auction level to 10.64 per cent while the six-month bills were four basis points higher, yielding 10.74 per cent. The yields achieved on the bills at the auction were the highest for two years.

Money market rates eased with the market still assessing the minutes of July's Federal Open Market Committee which indicated no easing of credit policy by the Fed.

The Treasury funding programme continued yesterday with the sale of \$3bn of 20-day cash management bills. This is to be followed today with the auction of \$6.5bn in five-year notes and tomorrow by the auction of \$8.25bn of one-year bills.

Today also sees the release of the Government's index of leading economic indicators for July. This is widely expected to show a fall of between 0.5 per cent and 1 per cent, following June's 0.9 per cent decline.

However, analysts were mixed in their views over potential impact of such a fall. Some thought it would give a boost to the market by confirming that the economy was not overheating. Others cautioned that such a movement in the index for July would be irrelevant since many of the components are already known to have risen in August.

In the stock market, a list of large block trades of 100,000 shares or more including Diamond Shamrock, International Paper, St Regis, Mattel and Florida Progress indicated continued institutional activity.

On the New York Stock Exchange, Northeast Utilities shed \$4 to \$12 after a

block of 1m shares was crossed at \$12½ by E. F. Hutton.

Financial Corporation of America, the country's largest savings and loan concern, rose 5½ to \$6 as its chairman bowed to pressure and announced his resignation.

In the oil sector, Atlantic Richfield added 5½ to \$49½ following an announcement of a \$765m write-down in its third quarter and plans to refocus on its core oil business. Oil refiner and marketer Amerada Hess dipped 5½ to \$27 as the AFL-CIO urged its 13,700 members to stop buying the company's oil products because of a contract dispute.

Among other blue chips, IBM added 5½ to \$124¾, and General Electric traded unchanged at \$57½.

Teladyne, the electronics and avionics group added \$24 to \$269½.

NCR, the business systems manufacturer which announced a \$7.1m order from Manufacturers Hanover Trust for automation equipment and mainframe computers, dipped a further 5½ to \$28½.

On the American Stock Exchange, American Motor Inns was again actively traded, unchanged from the overnight price of \$21½.

LONDON

Investors left waiting on the docks

BUSINESS resumed in London markets after the holiday weekend in the same subdued mood as last Friday, as investors waited for a clearer picture to emerge from the confused labour unrest at UK docks.

Sterling remained stable despite the dock strike, with the pound firmer against the dollar. This helped gilts, which after initial nervous selling, closed little more than ½ point down on average, with shorter-dated issues proving even more resilient despite harder money rates.

Leading industrials began steadily, although one or two stocks favoured by U.S. investors gave ground in the wake of Wall Street's overnight decline. Prices eased from mid-session on, and the FT Industrial Ordinary share index ended 4.4 lower at 432.4.

Oil issues were active with Atlantic Resources up 6p to 76p and Eginton Oil & Gas adding 7p to 102. Lassco was off 5p at 303p. Among other features, Aspreys jumped 50p to 775p, while Memory Computer plunged 85p to 110p.

Chief price changes, Page 20; Details, Page 21; Share information service, Pages 22-23

AUSTRALIA

TRADING remained subdued in Sydney causing prices to ease. The All Ordinaries index was 5.6 off at 739.1 on turnover down to 27.8m shares from 28.2m. EZ Industries, under takeover offer from North Broken Hill Holdings, was steady at A\$6.24 after announcing a 43 per cent fall in profits for the year.

Repo, which announced a 40.3 per cent annual profits rise, was also unchanged at A\$1.10, while Westfield Holdings, which reported a 21 per cent earnings rise, shed 20 cents to A\$7.10.

Blue chips were mixed as a result of the London public holiday. Foreign purchases through the big four securities firms numbered only 5m shares and sales 9.5m. NEC added Y10 to Y1,320,

while Nippon Electric fell 10p to Y1,390.

and Honda Motor Y20 to Y1,390, but Matsushita Electric Industrial slipped Y20 to Y1,650, and Fuji Photo Film Y20 to Y1,760.

The bond market eased in response to a decline in bond prices in the U.S. and the yen's slide against the dollar. Over-the-counter trading was extremely lacklustre with a few medium and small-sized securities firms selling bonds in small lots.

Some trust banks and long-term credit banks placed small buy orders for government trust management companies prodded the Nikkei-Dow Jones index higher in Tokyo yesterday for the sixth successive session, writes Shigeo Nishiwaki of *Japan Press*.

Trading was thin in the morning in response to an overnight decline on Wall Street, but speculative interest in biotechnology-related issues revived in the afternoon, and small-capital electrical machines progressed on small-lot buying by investment trust management firms.

The Nikkei-Dow average rose 6.47 to close at 10,575.19. Volume grew to 216,498 from 155,056 with gains outpacing losses by 350 to 331.

The daily gain during the six sessions has ranged from a marginal 5 to 9 points, except for last Wednesday when it soared up 52.35, indicating a lack of market vigour and frustrating hopes for a significant advance in the immediate future.

Major securities houses intend to launch a drive on the market today when trading for September delivery starts. Delivery usually takes place on the fourth trading day after the transaction.

Nomura Securities is reported to be planning to concentrate on Toyota Motor issues, Daiwa Securities on biotechnology-related shares and lagging blue-chips, Nikko Securities on precision instruments and Yamachii Securities on incentive-backed issues.

Market activity picked up in the afternoon when Kuraray, a biotechnology-related issue, started attracting buyers and added Y54 to Y80. Some incentive-backed issues gained ground in support.

Pharmaceutical issues drew strength from speculation about new product development.

Blue chips were mixed as a result of the London public holiday. Foreign purchases through the big four securities firms numbered only 5m shares and sales 9.5m. NEC added Y10 to Y1,320,

while Nippon Electric fell 10p to Y1,390.

and Honda Motor Y20 to Y1,390, but Matsushita Electric Industrial slipped Y20 to Y1,650, and Fuji Photo Film Y20 to Y1,760.

The bond market eased in response to a decline in bond prices in the U.S. and the yen's slide against the dollar. Over-the-counter trading was extremely lacklustre with a few medium and small-sized securities firms selling bonds in small lots.

Some trust banks and long-term credit banks placed small buy orders for government trust management companies prodded the Nikkei-Dow Jones index higher in Tokyo yesterday for the sixth successive session, writes Shigeo Nishiwaki of *Japan Press*.

TOKYO

Investment trusts add strength

RENEWED interest in incentive-backed issues and a buying bout by some investment trust management companies propelled the Nikkei-Dow Jones index higher in Tokyo yesterday for the sixth successive session, writes Shigeo Nishiwaki of *Japan Press*.

Trading was thin in the morning in response to an overnight decline on Wall Street, but speculative interest in biotechnology-related issues revived in the afternoon, and small-capital electrical machines progressed on small-lot buying by investment trust management firms.

The Nikkei-Dow average rose 6.47 to close at 10,575.19. Volume grew to 216,498 from 155,056 with gains outpacing losses by 350 to 331.

The daily gain during the six sessions has ranged from a marginal 5 to 9 points, except for last Wednesday when it soared up 52.35, indicating a lack of market vigour and frustrating hopes for a significant advance in the immediate future.

Major securities houses intend to launch a drive on the market today when trading for September delivery starts. Delivery usually takes place on the fourth trading day after the transaction.

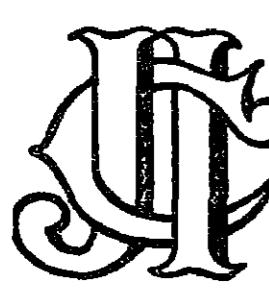
Nomura Securities is reported to be planning to concentrate on Toyota Motor issues, Daiwa Securities on biotechnology-related shares and lagging blue-chips, Nikko Securities on precision instruments and Yamachii Securities on incentive-backed issues.

Market activity picked up in the afternoon when Kuraray, a biotechnology-related issue, started attracting buyers and added Y54 to Y80. Some incentive-backed issues gained ground in support.

Pharmaceutical issues drew strength from speculation about new product development.

Blue chips were mixed as a result of the London public holiday. Foreign purchases through the big four securities firms numbered only 5m

INTL. COMPANIES & FINANCE


**Johannesburg
Consolidated
Investment
Company, Limited**

(Incorporated in the Republic of South Africa)

**UNAUDITED PROVISIONAL CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30th JUNE 1984**

	1984 Rm's	1983 Rm's
Profit before taxation	144.4	123.9
Taxation	10.9	13.4
Profit after taxation	133.5	110.5
Outside shareholders' portion of profit	1.7	(0.8)
Consolidated profit	131.8	111.3
Derived from:		
Income from investments	88.0	71.0
Profits of operating subsidiaries	19.0	19.7
Other net revenue	23.8	20.6
Preference dividends	8.1	8.6
Profit attributable to ordinary shareholders	122.7	102.7
Retained profit at beginning of year	268.8	228.7
Distributable profit	392.5	331.4
Ordinary dividends	55.0	47.5
Interim of 180c (1983-180c)	13.2	9.5
Final of 570c (1983-520c)	41.8	38.0
Transfer from non-distributable reserves	337.5	283.9
Retained profit at end of year	362.3	268.8
CONSOLIDATED BALANCE SHEET		
Investments at cost less provisions	267.3	224.8
Market value or directors' valuation— R1,747.9m (1983—R1,335.2m)		
Loans	63.7	58.5
Marketable properties and mining prospects	28.1	20.5
Fixed assets	160.1	128.1
Mining assets	80.9	71.0
Net current assets	11.3	28.5
Current assets	721.6	538.1
Current liabilities	710.3	509.3
Financed by:		
Ordinary shareholders' interest	436.0	363.4
Preference share capital and share premium	72.0	80.0
Outside shareholders' interest in subsidiaries	8.9	6.6
Deferred taxation	38.4	25.8
Long-term liabilities	63.2	65.9
	610.5	541.7
Total number of ordinary shares issued	7,339,600	7,312,800
Earnings per share	1.686c	1.405c
Ordinary dividends per share	750c	650c
Net asset value per ordinary share at 30th June based on market value or directors' valuation of investments and properties	R276	R213

NOTES:

- Profit attributable to ordinary shareholders of R123.7m was 20.4 per cent higher than that for the previous year.
- A final dividend of 570c has been declared to make a total for the year of 750c per share, which is 18.4 per cent higher than that for the previous year.
- In terms of the provisions of the share incentive scheme, 26,800 shares were allotted during the year to senior members of staff.
- In calculating the net asset value per share the excess of directors' valuation of subsidiary companies over the net book value has been included.

On behalf of the board
G. H. Waddell, P. F. Retief
Directors**DIVIDEND NO. 117**

A final dividend (No. 117) of 570 cents per share in the currency of the Republic of South Africa has been declared payable to holders of ordinary shares in respect of the year ended 30th June, 1984.

Last date for registration
Registers close (dates inclusive) fromCurrency conversion date (for payments from London)
Date of payment

The dividend is declared subject to the customary conditions which may be inspected at or obtained from the Company's Johannesburg office, the office of the London Secretaries (Barrie Brothers Limited of 98, Bishopsgate, London, EC2M 3XK) or the London Bearer Office of Hill Samuel and Company Limited, 45, Beech Street, London, EC2P 2LX. Holders of share warrants to bearer should present coupon No. 117 to the London Bearer Office. South African Non-Resident Shareholders' Tax at the rate of 14.56 per cent and United Kingdom Income Tax will be deducted from the dividend where applicable.

By order of the board
M. J. Meyer
SecretaryHead Office and Registered Office:
Consolidated Building,
Cor. Fox and Harrison Streets,
Johannesburg 2001.
(P.O. Box 590, Johannesburg 2000).

29th August, 1984

This announcement appears as a matter of record only.

**Airbus Industrie****£35,000,000****Revolving Acceptance Credit**

arranged by

S. G. Warburg & Co. Ltd. Banque Paribas (London)

provided by

Allied Irish Investment Bank Limited Banque Paribas (London)
Kleinwort, Benson Limited Midland Bank International
National Westminster Bank Group N.M. Rothschild & Sons Limited
S. G. Warburg & Co. Ltd.

August 1984

**Norsk Data
doubles
first-half
earnings**

By Fay Gieseke in Oslo

NORSK DATA, the fast-growing Norwegian mini-computer manufacturer, sharply increased its profits in the opening half of 1984. The company, whose shares are quoted on the Oslo, London and Stockholm stock exchanges, and traded on the New York over-the-counter market, more than doubled its pre-tax result, to Nkr 50.6m (\$US8.3m), in the half, from Nkr 24.7m. Operating income totalled Nkr 503.4m, against Nkr 309.6m, and orders booked—for hardware, software, training and maintenance—reached Nkr 600m, up 65 per cent.

Growth in sales volume was strong in most areas. In Norway, where Norsk Data has its largest market share, it was 60 per cent, and export orders increased by 81 per cent.

Norsk Data's Nkr 201.6m share capital comprises about 30 per cent non-voting B shares, most of which are held by foreigners. Foreign investors also hold about 34 per cent of the A shares, which have voting rights.

The company has asked the Norwegian authorities to relax existing rules concerning B shares so that it may issue as many as it wants, and sell an unlimited number to foreign investors.

The Government is believed to be giving favourable consideration to this request, which could make it easier for Norwegian companies to attract foreign capital.

**Shipping
merger
challenged**

By Our Oslo Correspondent

A MAJOR Norwegian shipping takeover is being challenged by two brothers who have just acquired a majority stake in one of the companies involved.

The deal, one of the largest ever arranged in Norwegian shipping circles, centres on the purchase by the Kloster Group of another cruise company, Royal Viking Line. Sellers were Bergen Steamship and Nordenfjeldske, the two Norwegian shipping companies.

The merger would create a fleet worth Nkr 5.7bn (\$885m). The sellers are taking stakes of 7.5 per cent each in the new merged company, which is to be called Royal Viking. debts, reported to be about \$115m.

This package is now being contested by Arne and Wilhelm Blystad, two brothers who control 51.5 per cent of Bergen Steamship through their company, Meritus. They plan to have the deal overturned, claiming that the takeover is against the interest of Bergen Steamship shareholders. They say that unless the deal is amended by including a share value guarantee, the present board of Bergen should resign.

Although they now control 51.5 per cent, the Blystad brothers have no seats on Bergen's board. Moreover, their share newly acquired will not be entitled to vote at a shareholders' meeting until four weeks after the August 9 purchase date for the takeover.

Three Nordic banks forge close links

BY KEVIN DONE, NORIC CORRESPONDENT IN STOCKHOLM

THREE of Scandinavia's leading banks—Swedbank, Enskilda Banken of Sweden, Bergbanken of Norway, and Union Bank of Finland, plan a far-reaching co-operation deal which will leave the three with share stakes in each other.

The agreement covers both their domestic and international businesses and is partly dependent on changes being forced through in both Swedish and Norwegian banking legislation. It has been made in response to the growing liberalisation of Nordic banking regulations and in preparation for the increases in competition that will result when both Norway and Sweden open their frontiers to foreign-owned banking opera-

tions.

To cement the co-operation, the three banks will take shareholdings in each other—legislation permitting—with S.E. Banken, the Nordic region's biggest bank, buying a holding of up to 10 per cent in Bergbanken and up to 6 per cent in Union Bank of Finland.

In addition, Bergbanken is planning to take shares of 20 per cent in S.E. Banken's sub-

sidiaries in West Germany.

The deal does not involve mutual board membership but top level committee meetings are to be formed.

The banks would be able to offer their customers fast money transfers and efficient cash management services, partly through the joint expansion of computer banking services.

By 1988-89 both Norway and Sweden are expected to have passed legislation permitting foreign-owned banking operations to establish a separate subsidiary. Finland has already up-

**Porsche sees
U.S. profits
in first year**

By Kenneth Gooding in Detroit

THE PORSCHE family's new car import and distribution company in the U.S. will be profitable in the second half of its first year in operation, Mr John Cook, the chief executive, said yesterday.

Porsche Cars North America, began operations on Friday. Some \$22m of capital has been provided by the Porsche family holding company—not the sports car manufacturing business which sold some shares in the West German public recently.

Mr Cook said Porsche had withdrawn the U.S. concession from Volkswagen, which had held it since 1969, to protect Porsche's position in the biggest market for its sports cars.

He said he expected about 21,500 Porsche cars to be sold in the U.S. this year, a decline from 21,831 brought about by the six-week metal workers' strike in West Germany.

Sales should go up to 23,000 in 1985 and rise to 30,000 in five years' time.

Porsche North America has signed up 303 of the dealers who held the franchise from VW and the outstanding 14 are expected to sign soon.

Elsevier and VNU well ahead

BY OUR FINANCIAL STAFF

TWO DUTCH publishing groups, Elsevier and VNU, report strong profits growth for the first half of 1984. Elsevier's net profits are 41 per cent ahead and those at VNU a full 58 per cent.

On sales up from F1 647m to F1 716m Elsevier has increased earnings to F1 40.7m (\$12.6m) from F1 23.9m. For the whole of 1983, net profits totalled F1 52.7m: the company says

profits in the current six months are expected to develop favourably.

VNU, whose profits recovered strongly last year, reports after-tax profits of F1 30.1m. Sales have improved by a tenth to F1 690m, so VNU's sales-earnings ratio has widened by more than a point to around 4.4 per cent.

Costs have been held in check, rising by just 6 per cent and the group's sales increase

includes strong gains for physical volume. Some divisions, notably book publishing in the Netherlands, have continued to recover strongly.

VNU says professional publications in the Netherlands and the UK contributed mainly to the improved performance. The group prints and distributes newspapers, magazines, books and trade journals in the Netherlands, UK, US and Belgium.

but it might eventually offer individual life insurance policies.

It is the first time a French hypermarket or supermarket chain has decided to branch out in this field and appears to reflect an attempt to follow the example of large U.S. retailers such as Sears Roebuck which have diversified heavily into financial services.

Carrefour said that because it had no experience in selling car insurance services it had decided to associate itself with brokers

to offer the new policies. It said the choice of offering car insurance as the first experiment in financial services was linked to the fact that Carrefour already owns a large petrol distribution and car repair services business.

These operations are all sited at the group's hypermarket complexes. "It seemed a natural extension of the existing car services to offer customers also insurance services," an official said.

U.S. \$850,000,000**Malaysia****Floating Rate Notes Due 1993**

In accordance with the provisions of the Notes, notice is hereby given that for the six month Interest Period from 28th August, 1984 to 28th February, 1985 the Notes will carry an Interest Rate of 12 1/4% per annum. The interest amount payable on the relevant Interest Payment Date for which will be 28th February, 1985 is U.S. \$635.69 for each Note of U.S. \$10,000.

Credit Suisse First Boston Limited
Agent Bank**Central Finance Co. Ltd.****£10,000,000**6 1/4 Per Cent Convertible Bonds Due 1996
Pursuant to Clause 14(G) of the Trust Deed dated 11th August, 1981 in respect of the above issue, notice is hereby given as follows:—

The Custodian, Tokai International Limited, has moved to the following address:

P & O Building
122-138 Leadenhall Street
LONDON EC3V 4PTTelephone: (01) 823 7588
Telex: 8872649 TOKINT G (Unchanged)
Cable: TOKAINT LONDON EC3
Facsimile: (01) 826 7680Morgan Grenfell & Co. Limited
Principal Paying and Conversion Agent
29th August, 1984**The Novo Group****Half Year Statement
1984**

	6 months ended 30th June, unaudited 1983	1984	1979	1980	1981	1982	1983
1,617	1,908	Sales, Dkr. million	1,275	1,579	2,193	2,681	3,380
329	320	Income after tax (exclusive of extraordinary income)	103	176	341	475	704
4,778,606	5,062,						

INTERNATIONAL COMPANIES and FINANCE

Reuters share sale lifts International Thomson

BY BERNARD SIMON IN TORONTO

INTERNATIONAL Thomson, the Canadian publishing, travel and energy group, lifted net income to C\$3.2m (\$8.1m) in the first half of 1984 from C\$2.6m a year ago, partly because of a C\$1m profit from the sale of shares in the Reuters news agency. Earnings per share, after extraordinary items, rose from 9.5 cents to 12.3 cents.

Trading profit fell from C\$8.2m to C\$7.2m, however, due mainly to narrower margins of the group's British travel subsidiary and an accident earlier this year in the Piper oil field, one of International Thomson's North Sea interests.

Canada to study moves for petrochemical industry rescue

BY OUR TORONTO CORRESPONDENT

THE CANADIAN Government has agreed to examine measures to rescue the country's ailing petrochemical industry after ignoring proposals by an official commission of inquiry earlier this year for a reduction in feedstock prices.

The steps are expected to result in a further watering-down of the controversial national energy programme, which has held the prices of petrochemical raw materials above world levels.

Mr Gerald Regan, Energy Minister, said Government and industry officials could meet soon "to review the immensely short-term measures which could be taken to improve the viability of the industry." His statement follows assurances by the opposition Progressive Conservative Party, which is expected to take power after the September 4 general election, that it will remove taxes on feedstocks used by petrochemical producers.

The hardest hit companies are oil-based producers in eastern Canada whose feedstock prices are kept artificially high by agreements between the federal authorities and the provincial Government of Alberta, Canada's main oil-producing province.

The pricing arrangements between Alberta and the federal Government are due to be reviewed at the end of this year. The plight of the industry is reflected in the recent closure by Union Carbide's Ca-

nadian subsidiary of its polyethylene plant in Montreal, forcing the Quebec primary petrochemical producer, Petromont, to shut down its ethylene facility. Petromont has already received emergency funding of C\$50m (\$38.7m) from the federal and Quebec governments.

In addition, Gulf Canada is to lay off several hundred workers at its Varennes ethylene plant near Montreal. A question mark also hangs over the viability of Petrostar, based in Sarnia, Ontario, and a supplier of raw materials to the Polysar synthetic rubber producer. Petrostar lost C\$50m last year and is expected to post a similar loss in 1984.

Canada has a total of 70 petrochemical plants with sales exceeding C\$5bn a year. The industry is a substantial exporter and employs about 18,300 people. It has faced growing competition in recent years mainly from U.S. Gulf-coast producers with lower feedstock costs.

A federal task force on petrochemicals proposed last February that the industry's long-term future depended on its ability to buy oil and gas-based feedstocks at market-related prices negotiated between feedstock producers and petrochemical companies.

It urged an immediate 15 per cent cut in natural gas prices for industrial users and financial assistance to enable oil-based producers to switch to other feedstocks such as butane and propane.

John Davies on ambitious goals for videotex

W. Germany aims to put public in the picture

WEST GERMANY is pushing ahead optimistically with its videotex system, known as Bildschirmtext (BTX), and is seeking to widen its scope by drawing on similar services abroad.

BTX enables users to call up pages of text and illustrations over the telephone and to view them on a colour television set. With the aid of a keyboard, users can also convey messages and instructions, including bank transfers and orders to mail order companies.

The Bundespost, the country's postal and telecommunications authority, has scaled down its projections about the use of BTX in the immediate future because of a delay in setting up the service nationwide and a cautious market reception.

It is still confident, however, that BTX will gain wide acceptance within a few years as a source of information and as a means of offering such services as home banking.

The Bundespost has invested about DM 700m (\$242m) in projects related to BTX by the end of 1986, including orders to IBM worth at least DM 50m for equipment and software.

IBM was unable to meet the original deadline in September 1983 for handing over the system in the form envisaged, but this has taken some pressure off the Bundespost to meet self-imposed targets and has given some manufacturers a little more time to develop and market equipment for users.

After detailed tests, the IBM-developed system now has been given the go-ahead, and an "interim solution" operating since last September is being wound down.

Looking ahead, the Bundespost, which has introduced the so-called Capt standard for script and graphics, is keen to draw on videotex systems in other countries.

The Capt standard was endorsed by European telecommunications authorities in 1981 as a way to harmonise videotex systems. Television sets in West Germany which can display this standard could also show material from the different technical systems developed in France and Britain.

Herr Eric Danke, the Bundespost executive in charge of BTX, says: "We have had contacts with the French and we hope that we can make a connection during the next year, so that West German users can

Reuters share sale lifts International Thomson

The group's first-half sales increased 11.9 per cent to C\$72.8m. Earnings before the windfall gain from the sale of Reuters shares were C\$4.2m. Thomson had a 4.7 per cent interest in Reuters held through the Press Association of the UK.

Publishing subsidiaries in the UK and US have performed strongly so far this year. International Thomson said its regional newspaper interests in Britain posted a "significant" increase in profit while the development of its North American business was being maintained "at a high level."

Ford sees drop in number of car groups

By Kenneth Gooding in Detroit

THE NUMBER of major motor manufacturers worldwide will be cut from the present total of 19 to about seven within the next five to 10 years because of intense competition and overcapacity in the medium and heavy truck industry, according to Ford, the US motor group.

Those who survive will be companies with an output of more than 150,000 trucks a year and with established operations in Europe, Latin America and North America, Mr Edison Williams, vice-president and general manager of the group's truck operations, said.

Ford plans to remain among the survivors by launching its first "world truck" early next year. The vehicle will have a European cab, as used on the cargo range, and suspension system, and a North American-designed chassis, transmission and diesel engine developed from those used by the company's agricultural tractor division.

The controversial recommendations, which are opposed by the oil companies, include banning exclusive sales agreements between oil refiners and petrol retailers, prohibiting most reciprocal supply arrangements between refiners and revamping an official oil import compensation programme.

The Department of Consumer and Corporate Affairs said in evidence to the commission that the changes were necessary to counter overcharging by oil companies and excessive transfers to their parent companies, most of them in the US.

The commission has studied the Canadian petroleum industry for the past three years. Public hearings were completed last spring and the commission staff are summarising evidence. This process is expected to be complete by the end of the U.S. market.

European companies such as Daimler-Benz, Iveco, Volvo and the Fiat subsidiary, Renault, were already well entrenched in the U.S. and four Japanese truck makers would soon follow, said Mr Williams.

He said that manufacturers needed to cut 20 to 25 per cent from the cost of producing medium and heavy trucks. Ford is working "to take cost out of every piece of the business."

Ford began its world truck programme two years ago and Mr Williams estimates it will take another eight years to reach the full potential in the company's markets worldwide.

The "world" vehicles will be designed in Europe and North America. Components will be common to Ford trucks wherever they are assembled so they can be produced in relatively high volume.

Ford spent about \$100m on development and produced the prototype at an existing plant in Brazil. Ford's British operations will ship out cab panels for the project but there will be few North American components.

Setback for Bank of Nova Scotia

By Robert Gibbons in Montreal

THE LOWER trend at Bank of Nova Scotia (BNS), Canada's fourth largest chartered bank, continued in the third quarter this year. Net profit was C\$6.8m (\$4.63m) or 38 cents a share, against C\$7.8m or 53 cents a year earlier. Revenues were \$323m against \$315m.

For the first nine months BNS reported a net profit of C\$21.8m or C\$1.44 a share against C\$26.5m or C\$1.85, on revenues of C\$15.3m against C\$11.1m.

The bank said domestic and foreign interest margins remained under pressure in the third quarter, while average balances of non-performing loans were higher. These were shortly expected to move lower. Higher interest rates increased the cost of funds.

The bank also said its fiscal 1983 results were at peak levels.

Vitatron out of the red

By Our Financial Staff

VITATRON, the Dutch medical equipment group which has a London stock market listing, has clawed its way out of the red for the first six months of 1984.

Against an operating deficit of Fl 222,000 (\$57,306) in the first half of 1983, the group has returned a profit of Fl 1.5m. At the net level, the profit is Fl 842,000, against a loss of Fl 2.3m.

Sales have risen by 20 per cent to Fl 21.5m, adjusting for the sales of the company's scientific division.

Jammal Trust Bank

IN AN article published on August 22, it was stated that Jammal Trust Bank had collapsed and that it was Egyptian. This was completely erroneous as Jammal Trust Bank SAL, which is in fact Lebanese having 12 branches in that country and four branches in Egypt, continues to trade normally.

The nerve centre of the BTX system is a computer centre at Umm el Kheima in the south of the country which is being connected progressively to a network of regional computers throughout the country. When all are connected, almost everyone in West Germany will have access at local tariffs.

Louise Kehoe on prospects of another personal computer war

Atari out to 'squash Commodore'

A NEW "aggressive" Atari Corporation will emerge out of the remnants of Atari Inc, the former Warner Communications video game and home computer subsidiary, according to Mr Jack Tramiel, the company's new chairman.

Atari will "aggressively attack" world markets and transform itself from a "nearly bankrupt company into a world leader by the end of 1985," Mr Tramiel promised in his first official statement since the July takeover of Atari Inc.

Outlining the company's strategy for the next 15 months, Mr Tramiel made it clear that his product plans will bring Atari into direct competition with Commodore International, the home computer company that he founded, as well as with Apple Computer, IBM and other major players in the personal computer market.

Those who survive will be companies with an output of more than 150,000 trucks a year and with established operations in Europe, Latin America and North America, Mr Edison Williams, vice-president and general manager of the group's truck operations, said.

Ford plans to remain among the survivors by launching its first "world truck" early next year. The vehicle will have a European cab, as used on the cargo range, and suspension system, and a North American-designed chassis, transmission and diesel engine developed from those used by the company's agricultural tractor division.

The official said the commission's eventual recommendations would not necessarily reflect the views of the Department's anti-trust division. The Department is known to be unhappy with the commission's views after a recent investigation into the telecommunications industry.

The official said the commission's eventual recommendations would not necessarily reflect the views of the Department's anti-trust division. The Department is known to be unhappy with the commission's views after a recent investigation into the telecommunications industry.

The official said the commission's eventual recommendations would not necessarily reflect the views of the Department's anti-trust division. The Department is known to be unhappy with the commission's views after a recent investigation into the telecommunications industry.

The official said the commission's eventual recommendations would not necessarily reflect the views of the Department's anti-trust division. The Department is known to be unhappy with the commission's views after a recent investigation into the telecommunications industry.

The official said the commission's eventual recommendations would not necessarily reflect the views of the Department's anti-trust division. The Department is known to be unhappy with the commission's views after a recent investigation into the telecommunications industry.

The official said the commission's eventual recommendations would not necessarily reflect the views of the Department's anti-trust division. The Department is known to be unhappy with the commission's views after a recent investigation into the telecommunications industry.

The official said the commission's eventual recommendations would not necessarily reflect the views of the Department's anti-trust division. The Department is known to be unhappy with the commission's views after a recent investigation into the telecommunications industry.

The official said the commission's eventual recommendations would not necessarily reflect the views of the Department's anti-trust division. The Department is known to be unhappy with the commission's views after a recent investigation into the telecommunications industry.

The official said the commission's eventual recommendations would not necessarily reflect the views of the Department's anti-trust division. The Department is known to be unhappy with the commission's views after a recent investigation into the telecommunications industry.

The official said the commission's eventual recommendations would not necessarily reflect the views of the Department's anti-trust division. The Department is known to be unhappy with the commission's views after a recent investigation into the telecommunications industry.

The official said the commission's eventual recommendations would not necessarily reflect the views of the Department's anti-trust division. The Department is known to be unhappy with the commission's views after a recent investigation into the telecommunications industry.

The official said the commission's eventual recommendations would not necessarily reflect the views of the Department's anti-trust division. The Department is known to be unhappy with the commission's views after a recent investigation into the telecommunications industry.

The official said the commission's eventual recommendations would not necessarily reflect the views of the Department's anti-trust division. The Department is known to be unhappy with the commission's views after a recent investigation into the telecommunications industry.

The official said the commission's eventual recommendations would not necessarily reflect the views of the Department's anti-trust division. The Department is known to be unhappy with the commission's views after a recent investigation into the telecommunications industry.

The official said the commission's eventual recommendations would not necessarily reflect the views of the Department's anti-trust division. The Department is known to be unhappy with the commission's views after a recent investigation into the telecommunications industry.

The official said the commission's eventual recommendations would not necessarily reflect the views of the Department's anti-trust division. The Department is known to be unhappy with the commission's views after a recent investigation into the telecommunications industry.

The official said the commission's eventual recommendations would not necessarily reflect the views of the Department's anti-trust division. The Department is known to be unhappy with the commission's views after a recent investigation into the telecommunications industry.

The official said the commission's eventual recommendations would not necessarily reflect the views of the Department's anti-trust division. The Department is known to be unhappy with the commission's views after a recent investigation into the telecommunications industry.

The official said the commission's eventual recommendations would not necessarily reflect the views of the Department's anti-trust division. The Department is known to be unhappy with the commission's views after a recent investigation into the telecommunications industry.

The official said the commission's eventual recommendations would not necessarily reflect the views of the Department's anti-trust division. The Department is known to be unhappy with the commission's views after a recent investigation into the telecommunications industry.

The official said the commission's eventual recommendations would not necessarily reflect the views of the Department's anti-trust division. The Department is known to be unhappy with the commission's views after a recent investigation into the telecommunications industry.

The official said the commission's eventual recommendations would not necessarily reflect the views of the Department's anti-trust division. The Department is known to be unhappy with the commission's views after a recent investigation into the telecommunications industry.

The official said the commission's eventual recommendations would not necessarily reflect the views of the Department's anti-trust division. The Department is known to be unhappy with the commission's views after a recent investigation into the telecommunications industry.

The official said the commission's eventual recommendations would not necessarily reflect the views of the Department's anti-trust division. The Department is known to be unhappy with the commission's views after a recent investigation into the telecommunications industry.

The official said the commission's eventual recommendations would not necessarily reflect the views of the Department's anti-trust division. The Department is known to be unhappy with the commission's views after a recent investigation into the telecommunications industry.

The official said the commission's eventual recommendations would not necessarily reflect the views of the Department's anti-trust division. The Department is known to be unhappy with the commission's views after a recent investigation into the telecommunications industry.

The official said the commission's eventual recommendations would not necessarily reflect the views of the Department's anti-trust division. The Department is known to be unhappy with the commission's views after a recent investigation into the telecommunications industry.

The official said the commission's eventual recommendations would not necessarily reflect the views of the Department's anti-trust division. The Department is known to be unhappy with the commission's views after a recent investigation into the telecommunications industry.

The official said the commission's eventual recommendations would not necessarily reflect the views of the Department's anti-trust division. The Department is known to be unhappy with the commission's views after a recent investigation into the telecommunications industry.

The official said the commission's eventual recommendations would not necessarily reflect the views of the Department's anti-trust division. The Department is known to be unhappy with the commission's views after a recent investigation into the telecommunications industry.

The official said the commission's eventual recommendations would not necessarily reflect the views of the Department's anti-trust division. The Department is known to be unhappy with the commission's views after a recent investigation into the telecommunications industry.

The official said the commission's eventual recommendations would not necessarily reflect the views of the Department's anti-trust division. The Department is known to be unhappy with the commission's views after a recent investigation into the telecommunications industry.

The official said the commission's eventual recommendations would not necessarily reflect the views of the Department's anti-trust division. The Department is known to be unhappy with the commission's views after a recent investigation into the telecommunications industry.

The official said the commission's eventual recommendations would not necessarily reflect the views of the Department's anti-trust division. The Department is known to be unhappy with the commission's views after a recent investigation into the telecommunications industry.

The official said the commission's eventual recommendations would not necessarily reflect the views of the Department's anti-trust division. The Department is known to be unhappy with the commission's views after a recent investigation into the telecommunications industry.

The official said the commission's eventual recommendations would not necessarily reflect the views of the Department's anti-trust division. The Department is known to be unhappy with the commission's views after a recent investigation into the telecommunications industry.

The official said the commission's eventual recommendations would not necessarily reflect the views of the Department's anti-trust division. The Department is known to be unhappy with the commission's views after a recent investigation into the telecommunications industry.

The official said the commission's eventual recommendations would not necessarily reflect the views of the Department's anti-trust division. The Department is known to be unhappy with the commission's views after a recent investigation into the telecommunications industry.

The official said the commission's eventual recommendations would not necessarily reflect the views of the Department's anti-trust division. The Department is known to be unhappy with the commission's views after a recent investigation into the telecommunications industry.

INTL. COMPANIES & FINANCE APPOINTMENTS

Earnings at Repco improve by 40%

By Michael Thompson-Noel
in Sydney

REPCO, the diversified Australian motor components manufacturer and retailer, scored a 40.3 per cent improvement in net profit for the 12 months to June, following two years of determined rationalisation and the shedding of about 3,000 jobs.

Net profit was A\$26.1m (US\$20.2m) on turnover 13.2 per cent higher at A\$1.03bn. The dividend total is maintained 10 cents per share.

Mr Neil Walford, the chairman, said the company was now a "well balanced and diversified group, both geographically and operationally" and said that group sales in the current year were likely to improve to around A\$1.4bn.

He added that all main divisions were "in good health" and will set to produce increased profits.

Thomas Nationwide Transport, Australia's largest transport concern, is making a one-for-four rights issue of 50 cents, a share well below prevailing market prices—in order to boost working capital by A\$20.8m.

The company also announced a fourth quarter dividend of three cents per share, making a total of 12 cents per share. The full year results to June have not yet been announced.

Aican Australia, the aluminium producer, has reported a net profit for the six months to June of A\$10.1m, against a loss in the corresponding period last year of A\$14.9m.

The interim dividend is three cents per share. There was no interim payment last year. The company said that declining world aluminium prices had been partially offset by falls in the value of the Australian dollar.

(M) Mitsubishi Motors Australia converted an A\$13.9m loss in the year to June 1983, into a net profit of A\$12.8m for 1983-84. Turnover grew from A\$27.3m to A\$30.6m. The company plans to launch an all-new Australian-made car in 1985.

Marginal rise in interim profits at Hongkong Bank

BY DAVID DODWELL IN HONG KONG

THE HONGKONG and Shanghai Banking Corporation yesterday reported attributable profits of HK\$1.02bn (US\$130m) for the six months to June, up 5.5 per cent from the HK\$964m of their wet half of 1983.

Mr Michael Sandberg, the chairman, conceded that the results were "certainly not miraculous," but noted that they compared favourably with the results of the "big four" British banks, and of banks in the U.S.

He added that loan demand in Hong Kong remained flat, and that the economic climate as a whole had not recovered, despite a strong rally by the territory's manufacturing sector. A degree of confidence has returned, he said, but "some uncertainty over the political

outlook persists."

Mr Sandberg said the bank aimed "in the fairly immediate future" to reach a decision on whether or not it will acquire a 29.8 per cent state interest in James Capel, the London stockbroker. If the deal goes ahead, he said the bank would acquire larger holdings as London stock exchange regulations allowed. He gave no indication of the price tag that would be attached to the deal.

The Hongkong Bank is still looking for a suitable banking acquisition in Europe. Mr Sandberg said. He insisted that nothing suitable had yet been identified, though the bank was confident of recommending a final dividend of at least 31 cents, a 5 per cent increase on 1983.

See Lex

Doubts over bid for Tai Sang

BY OUR HONG KONG CORRESPONDENT

THE SINGAPORE-BASED United Industrial Corporation's HK\$230m (US\$35.7m) bid for Tai Sang Land in Hong Kong is in question this week after the expiry date for the offer passed at the weekend. The lapsing of the offer, made through a Hong Kong subsidiary, coincided with a rebuttal by the Tai Sang board of public censure by the territory's Securities Commission over an alleged breach of the takeover code in its response to the bid.

UIC plans to make no move

for the next two weeks, while it waits to see whether Hong Kong's Attorney General takes any further action. Under normal circumstances, the UIC bid would now have to lapse, but in view of the public pressure it is under no immediate pressure to withdraw.

When it acquired a 28.6 per cent stake in Tai Sang, a mainly-controlled property company with most of its interests in warehouses in Hong Kong, UIC planned to change its name to IBI Far East (Holding). It revealed at the weekend that it is now negotiating with a 40 per cent stake in Madison Securities, a Hong Kong-based merchant banking and trade financing company. Madison is planning to change its name to IBI Far East (Holding).

MPH in the red after hefty tax

BY WONG SULONG IN KUALA LUMPUR

MULTI-PURPOSE Holdings, the diversified Malaysian Chinese investment group, has reported a 155 per cent increase in pre-tax earnings to 17.4m ringgit (US\$7.5m) for the six months to June, but after a hefty tax charge and minority interests, there was a loss of 2.4m ringgit compared with a net profit of 10.8m ringgit.

An extraordinary gain of 13m ringgit left attributable profit at 10.5m ringgit compared with 4.3m. Turnover rose from 198m ringgit to 307m ringgit.

Shareholders have approved

the deal under which MPH is to transfer its 40.7 per cent stake in United Malayan Banking Corporation to companies under Daim Zainuddin, Malaysia's new Finance Minister, in return for 51 per cent stake in the small Malaysian French Bank and a cash payment of 132m ringgit.

Two plantation companies in the group—Dunlop Estates and Malaysian Plantations—reported strong advances in profit for half-year, due largely to good palm oil prices.

Dunlop Estates lifted pre-tax

profits by 174 per cent to 22.5m ringgit on turnover 178 per cent higher at 140m ringgit, while Malaysian Plantations profits rose 50 per cent to 4.5m ringgit on turnover up 32 per cent to 16.1m ringgit. After-tax profits were 11.5m ringgit.

Bandar Raya Developments, the listed 41 per cent-owned associate of MPH, made pre-tax profits of 6.9m ringgit, up 6 per cent, on turnover down 27 per cent to 20.6m ringgit. Slow sales of residential properties in a dull market affected earnings, which fell 10.8m ringgit.

This announcement appears as a matter of record only.

July 1984



The Tokyo Electric Power Company, Incorporated (Tokyo Denryoku Kabushiki Kaisha)

**U.S. \$100,000,000
13 3/4 per cent. Notes 1989**

Issue Price 100%

County Bank Limited

Algemene Bank Nederland N.V.

Girozentrale und Bank der österreichischen Sparkassen
Aktiengesellschaft

IEB International Limited

Merrill Lynch Capital Markets

Morgan Guaranty Ltd

Orion Royal Bank Limited

Westdeutsche Landesbank Girozentrale

Banque Paribas

Nomura International Limited

Manufacturers Hanover Limited

Mitsui Finance International Limited

Morgan Stanley International

S.G. Warburg & Co. Ltd.

Yamaichi International (Europe) Limited

Abu Dhabi Investment Company

Al-Mal Group

Aral Banking Corporation (ABC)

Julius Baer International Limited

Bank Gutzwiller, Kurz, Bungener

(Overseas) Limited

Bank Leu International Ltd.

BankAmerica Capital Markets Group

Bank of Tokyo International Limited

Banque Bruxelles Lambert S.A.

Banque Internationale à Luxembourg

Société Anonyme

Banque Nationale de Paris

Bardys Bank Group

Baring Brothers & Co., Limited

Chase Manhattan Capital Markets Group

Chase Manhattan Limited

Commerzbank Aktiengesellschaft

Credit Commercial de France

Credit Lyonnais

Creditanstalt-Bankverein

Dai-Ichi Kangyo International Limited

Daiwa Europe Limited

Dominion Securities Pitfield Limited

Fuji International Finance Limited

Goldman Sachs International Corp.

Hambros Bank Limited

Handelsbank N.W. (Overseas) Ltd.

Kidder Peabody International Limited

Kleinwort, Benson Limited

Kokusai Securities Co., Ltd.

Kredietbank S.A. Luxembourgeoise

Kuwait Foreign Trading Contracting & Investment Co. (S.A.K.)

Lehman Brothers International

Sharsan Lehman American Express Inc.

Lloyds Bank International Limited

LTCB International Limited

Mitsubishi Finance International Limited

Mitsubishi Trust & Banking Corporation

(Europe) S.A.

Mitsui Trust Bank (Europe) S.A.

Samuel Montagu & Co. Limited

Morgan Grenfell & Co. Limited

The National Commercial Bank

(Saudi Arabia)

The Nikko Securities Co., (Europe) Ltd.

Nippon Credit International (HK) Ltd.

Oesterreichische Länderbank

Aktiengesellschaft

Rabobank Nederland

Salomon Brothers International Limited

J. Henry Schroder Wag & Co. Limited

Société Générale

Société Générale de Banque S.A.

Strauss, Turnbull & Co.

Sumitomo Finance International

Toyo Trust International Limited

Wood Gundy Inc.

UK

Group finance director for Michael Page

Mr Ian G. Butcher is to join MICHAEL PAGE PARTNERSHIP on October 1 as group finance director, with particular responsibility for acquisitions and business development. He is a main board director of County Bank and head of its New York office.

Mr A. J. Butterworth, chairman of FLEXTECH, will be retiring after the annual meeting on September 18. He will be succeeded by Mr L. V. D. Windle. Mr Windle, who joined the board in 1975, is currently chairman of Investors in Industry Group, chairman of Eddy Holdings and a director of several other companies including British and Northern Engineering Industries.

* Mr Anthony Butterworth has resigned his partnership with St Quintin, chartered surveyors, and has become managing director of PAUL SYKES (DEVELOPMENTS).

Dr Graham D. Pritchard has been appointed group marketing manager of NOBLE DENTON INTERNATIONAL. He will be responsible for the group's worldwide marketing activities.

Mr John Faistow has been appointed managing director of SOULTON & SCAFFOLDING, Birmingham, an SGB Group subsidiary. He was previously president of the group's American subsidiary, SGB Construction Services Inc. He takes the position vacated by Mr Joseph Fineane, who has been appointed managing director of the group's Australian operating company.

* Mr John Faistow has joined the board of PROTIN SERVICES as managing director. Mr Fred Friday continues on the board and has been appointed director of operations. Protin Services is a wholly-owned subsidiary of Benix Holdings. Mr Faistow was director and general manager of LPH Equipment. Mr Ken Gibell, Protin's marketing director has retired.

Mr William Warburton, managing director of MARSHALL CAVENDISH, has resigned to take up a consultancy with Times Publishing of Singapore and assist in the development of the new proposed Worldwide Film Studio. Mr Peter Edwards takes over as managing director.

* Mr T. Giagell has been appointed chief underwriters of BALTIMERICA-SKANDINAVIA INSURANCE COMPANY (UK) from October 1.

INTERNATIONAL

President of HealthAmerica

● **HEALTHAMERICA CORPORATION**, the American independent investor-owned operator of health maintenance organisations, has named Mr Gerald Newman as president and chief operating officer. Mr Newman, who is to be elected to the company's board, has served for the past eight years as president and chief operating officer of International Silver Company, Meriden, Conn. He earlier served for two years as vice-president and western regional manager of American Medicorp Inc.

● Mr James E. Barnes and Mr John D. Morrow have been named to the board. VISTA CHEMICAL CO. Mr Barnes is president of Vista Chemicals and chairman of Investors in Industry Group, chairman of Eddy Holdings and a director of several other companies including British and Northern Engineering Industries.

* Mr Anthony Butterworth has resigned his partnership with St Quintin, chartered surveyors, and has become managing director of PAUL SYKES (DEVELOPMENTS).

● Dr Graham D. Pritchard has been appointed group marketing manager of NOBLE DENTON INTERNATIONAL. He will be responsible for the group's worldwide marketing activities.

● **INFORMATICS GENERAL CORPORATION** has reorganised its operating structure into two units, Informatics Systems and Informatics Applications, following the resignation of Mr Bruce T. Coleman as president of the company for personal reasons. Dr Walter F. Bauer will assume the position vacated by Mr Coleman.

● **NATIONAL STARCH AND CHEMICAL CORPORATION** has elected Mr Wallace K. Grubman, formerly president and chief executive of SGB Construction Services Inc., to succeed Mr John Faistow as managing director. Mr Grubman, who has been appointed managing director of the group's Australian operating company, SGB Broker Pty.

● **NATIONAL STARCH AND CHEMICAL CORPORATION** has elected Mr Wallace K. Grubman, formerly president and chief executive of SGB Construction Services Inc., to succeed Mr John Faistow as managing director. Mr Grubman, who has been appointed managing director of the group's Australian operating company, SGB Broker Pty.

● **NATIONAL STARCH AND CHEMICAL CORPORATION** has elected Mr Wallace K. Grubman, formerly president and chief executive of SGB Construction Services Inc., to succeed Mr John Faistow as managing director. Mr Grubman, who has been appointed managing director of the group's Australian operating company, SGB Broker Pty.

● **NATIONAL STARCH AND CHEMICAL CORPORATION** has elected Mr Wallace K. Grubman, formerly president and chief executive of SGB Construction Services Inc., to succeed Mr John Faistow as managing director. Mr Grubman, who has been appointed managing director of the group's Australian operating company, SGB Broker Pty.

● **NATIONAL STARCH AND CHEMICAL CORPORATION** has elected Mr Wallace K. Grubman, formerly president and chief executive of SGB Construction Services Inc., to succeed Mr John Faistow as managing director. Mr Grubman, who has been appointed managing director of the group's Australian operating company, SGB Broker Pty.

● **NATIONAL STARCH AND CHEMICAL CORPORATION** has elected Mr Wallace K. Grubman, formerly president and

UK COMPANY NEWS

ASDA passes £100m and 'doing very nicely'

THE £100m pre-tax profit barrier has been broken by Associated Dairies Group, the food retailing superstore. In the year ended April 23 1984 the group has produced a £27m advance to £104.61m and is effectively raising its dividend from 2.25p to 3p net, with a final of 1.75p and giving another scrip—this time on a one-for-five basis.

As chairman Mr Noel Stockdale says this is satisfactory. He concedes that a dock strike "could shut the country in a month," but at the moment "we are doing very nicely."

Sales in the past year moved up from £1.5bn to £1.75bn. Benefits came from the spending on store facilities, opening new units, and "the move down south" where disposable spending money is higher. The chairman is "very happy" with the decision to allow the use of credit cards in all stores. This was part of a two-year experiment in 20 stores and he notes cards helped the sale of non-food items where margins are bigger. "It is the sales mix that matters," he claims.

As well as its food/clothing/electrical superstores, the group owns Associated Fresh Foods, Allied Carpet Stores, and Wades

Departmental Stores. It is taking a hard look at Wades—there is £1.5m to £2m.

Stores have already been closed.

Mr Stockdale says he has no more to say to this plan for acquisitions.

The cash year. It plans a "new approach" to position at the end of the year.

1984 **1983**

	Operating	Operating	
Turnover	Profit	Turnover	Profit
Stores 1,542,979	£1,917	1,518,223	£8,440
Fresh Foods 161,112	2,000	11,780	11,833
Carpet Stores 78,617	3,614	65,120	1,656
Wades Stores 51,526	1,623	47,672	1,866
URAY Furnishing 3,243	—	2,712	784
Miscellaneous Trading 76,257	278	31,284	261
Inter Company —	—	67,101	—
Overheads —	3,971	—	4,491
Totals 1,755,220	95,041	1,519,144	63,197
* Less			

£1,755,220 95,041 1,519,144 63,197

This autumn, ASDA is also planning to sell its carpet factories, part of its production base for the development of Somerset. Although this unit turns out some 2m sq metres per annum it is thought to be losing some £500,000. A management buy-out is expected to be signed within the next few days, with a view to being taken over which would be interested in it. It will not like to dilute our earnings by paying through the nose. It will have to be some

was some £80m, about the same as in 1983, and "we are every prepared to do this for the development of Somerset."

You cannot acquire land for shares. You must have cash resources for business like ours."

He comments: "There are not many customers who are interested in us. I would like to be some

more customers. The price is

things we feel we can improve vastly and I do not see any."

In 1983-84 the group had some 1.6m customers per week in its stores and is looking for 2m by the end of this year. Average spending per week was £16 against £14.9 in the previous year. The 100th ASDA store will open in October. Capital spending rose from £59.6m to £81.6m, and this year could involve more than £100m.

The profit before tax was made up of operating profits £89,040 (£83,121), share of associated company £78,000 (£28,000), other income £3,677 (£9,371), and interest payable and similar charges £180,000 (£186,000). After tax £45,890 (£32,222) and minorities £26,000 (£27,000), the net profit for the year comes out at £56,900 (£45,149) for earnings of 5.92p (£5.89) per share.

However, the attributable profit shows a reduction from £23,176m to £33,72m after extraordinary charges of £24,97m relating to a tax equalisation account. The directors have decided to create a cumulative difference between tax allowances received and the amount of depreciation charged on qualifying assets expressed at



Mr Noel Stockdale
stepping up the dividend

the rate of 35 per cent.

That part of the reserves relating to 1983-84 amounting to £5.1m has been charged to profit and loss this year. The excess relating to years up to and including 1982-83 amounting to £21.9m has been charged to extraordinary items. The dividend absorbs £19.65m (£14.71m).

See Lex

Cadbury's ADR share issue likely next month

Cadbury Schweppes, the chocolate and soft drinks group, anticipates a mid-September date for its previously postponed share offering in the U.S.

An amended preliminary prospectus has been filed with the Securities Exchange Commission for an offer of American depositary shares (ADS).

American depositary receipts evidencing the ADS will be traded on the over-the-counter NASDAQ system. Each ADS will represent ten ordinary or common Cadbury shares.

Cadbury postponed the issue in May due to the state of the Stock Market. The offer will involve the issue of between 40-60m shares.

When the proposed issue was unveiled in April, Cadbury said it had expected to raise at least £75m (£25m at current exchange rates). Figures for sales are also reduced from £10.3m to £8.2m.

In the year to March 1983 the company had pre-tax profits of over £1m on sales of £17.3m.

These audited figures will be a severe blow to Memorex, which became something of a favourite of Irish investors when it was listed on the Stock Exchange in 1982. The company was valued at \$6m at that stage and nine months later raised £3m in a successful share placing.

The new placing was announced in June but yesterday Memorex managing director Mr Aidan McKenna said the new figures did not alter the company's underlying position.

They had been seeking fresh cash for development and acquisitions and had an excess of £13.5m of current assets over current liabilities.

Memorex will be taking their broker's advice but the probability is that they will have to wait to see if market sentiment

Memory placing is unlikely following revision of profits**HIGHLIGHTS**

The Lex column looks first at the strong earnings performance of ASDA and reviews the group's plans for its expansion, followed by an update of its results for 1983-84. The company has now agreed figures with its auditors which show pre-tax profits of just £27.6m (£32.300) for the year, which compares with an excess of £11.55m in the preliminary results announced in June. Figures for sales are also reduced from £10.3m to £8.2m.

In the year to March 1983 the company had pre-tax profits of over £1m on sales of £17.3m.

These audited figures will be a severe blow to Memorex, which became something of a favourite of Irish investors when it was listed on the Stock Exchange in 1982. The company was valued at \$6m at that stage and nine months later raised £3m in a successful share placing.

The new placing was announced in June but yesterday Memorex managing director Mr Aidan McKenna said the new figures did not alter the company's underlying position. They had been seeking fresh cash for development and acquisitions and had an excess of £13.5m of current assets over current liabilities.

Memorex will be taking their broker's advice but the probability is that they will have to wait to see if market sentiment

recovers sufficient to allow a placing.

Mr McKenna blames much of the problem on an acquirer deal with the U.S. company Fortune Systems Incorporated, which ended with Memory having to refund all the customers to which it sold a microcomputer under the agency arrangement.

The difference will be the recent international contracts recent international contracts could be included in the 1983-84 accounts, Mr McKenna said.

Taylor Woodrow continues growth with £13m so far

directors say it must not be assumed that this will lead to an increase in the total rate of distribution as compared with the 25 per cent rise in 1983.

Earnings per share moved ahead by 0.7p to 10.7p. Tax payable came to £5.6m (£5.02m), after which the amount available for distribution is shown as £6.33m (£5.93m).

In 1983 the company pushed profits before tax up by 26 per cent to £35.00m, against £31.7m, but included a lower contribution of £1.04m, compared with £1.1m, from related companies.

Shareholders are set to receive an increased interim dividend of 4p per share. This compares with an adjusted 2.75p, but the

COMPANY NEWS IN BRIEF

The interest rates for this year's issue of local authority bonds is 10.3 per cent, up three-tenths of a percentage point from last week, and compares with 10.1 per cent a year ago. The bonds are issued at par and are redeemable on September 4 1985.

A full list of issues will be published tomorrow's edition.

* * * * *

Net asset value at the Scottish Investment Trust came to 79.6p, after deducting prior charges at par, against 77.0p, for the nine months to the end of July 1984.

Revenue before tax came to £1.55m (£1.58m). Gross investment management amounted to 27.91m (£27.11m).

Short term bank loans outstanding have been reduced from £5.802m at the end of October 1983 to £5.3m at the end of last July. Net revenue for the year should benefit from this, say the directors. Dollar exposure is now 24 per cent of assets.

LADBROKE INDEX

Based on FT Index

822-832 (-3)

Tel: 01-493 5261

Garfunkels forecasts another record year

SINCE COMING to the USM in 1982, Garfunkels Restaurants has increased taxable profits at each interim stage, and the trend is continued with the announcement of a more than doubled surplus for the 26-week period to July 1 1984.

The midway figures this time show an increase from £221,000 to £250,000. This emerged from sharply higher turnover at £1.1m, up from £2.52m, and the directors have given reason to believe from current trading figures that the profit for the full year will be another record for the group.

The interim dividend is being effectively maintained at 0.43p net per 10p share on capital increased by last April's scrip and rights issues. The total last year

was an adjusted 1.12p.

The interim profit is offset by tax allowances brought forward and capital allowances arising on expenditure in the period. A tax charge of £13.00 (£11.00) represents advance corporation tax on the interim dividend paid on July 1 1984.

The rate of 35 per cent.

Garfunkels' more than doubled taxable profits is clearly matched by the rate at which it has opened new restaurants, now totalling 27. Gross margins have still widened by just over one percentage point to 10.2 per cent, reflecting an improved performance by the previous batch of new outlets as they came to maturity. Garfunkels also owns much of the buoyancy in the capital itself that means the pound's weakness is an important ingredient in the receipt.

Should the tourist trade turn the other way, however, the group is

busily building its domestic customer base by pushing Deep Pizza outlets into the London suburbs. The Garfunkels chain, with its centralised salad supplies, seems less suitable for expansion outside the West End and the City.

Garfunkels is likely to switch emphasis from building its own outlets to buying them. The hectic pace of the first half's trading continues, pointing to a full-year out-turn of £1.2m pre-tax. The shares rose 15p to 180p, a demanding 17 times prospective earnings.

See Lex

Dufay Bitumastic up to £317,000 midterm

A SATISFACTORY outcome to 1984 is looked for by the Dufay Bitumastic group of surface coating producers, as profit before tax for the first half is advanced from £225,000 to £217,000.

The three main operating divisions, Dufay, Tianshui, Inks and Wall's Dove, have been supported by bid offers since 1979 when Camrex tried and failed to buy the company. Since then Camrex has itself been acquired by Ruberoid which inherited a stake in Dufay now standing at 20 per cent.

After tax £139,000 (£26.000) and minorities credit £13,000 (charge £2,000), the attributable profit is £191,000 (£157,000) for

achieving the level of success planned, and it sustained a mid-year loss of some £46,000, of which £33,000 is attributable to Dufay. Steps are being taken to rectify the situation and the directors hope to report more favourably at the year end.

Group sales in the half year moved ahead from £7.86m to £9.25m, and the trading profit to £152,000 (£22.000). Depreciation took £155,000 (£165,000) and interest £12,000 (£12,000).

After tax £139,000 (£26.000) and minorities credit £13,000 (charge £2,000), the attributable profit is £191,000 (£157,000) for

achieving 1.2p (1p) per share. The interim dividend is again 1.6p net—last year's final was 1.8p when profits reached £163,000.

See Lex

Target Currency

Target Managed Currency Fund says its interim dividend payable due August 31 to holders of participating shares has been delayed until further notice.

DIVIDENDS ANNOUNCED

	Current payment	Corre. of spending for payment	Total last year	Total last year
American Trust ... int. 1.00	—	1	2.5	2.5
Associated Dairies ... 1.73	—	1.31*	3	2.25*
Dufay Bitumastic ... int. 1	Nov 15	1	2.2	2.2
Edinburgh Fundt ... int. 1	Oct 5	0.6	—	2.2
First Scott. Amer. ... 21	Oct 1	1.4	—	5.15
Garfunkels ... int. 0.45†	Oct 18	0.45*	—	1.13*
Heelmann ... 3.6	Oct 24	3.6	5.6	5.6
Taylor Woodrow ... int. 4	Oct 1	2.75*	—	12.25*

Dividends shown per share net except where otherwise stated.

* Equivalent after allowing for scrip issue. † Corroborated by rights and/or acquisition issues. t USM stock. t Unquoted stock. || Minimum final of 4p expected. || Final 2p forecast.

This Advertisement is issued in compliance with the requirements of the Council of the Stock Exchange.

THE BRISTOL WATERWORKS COMPANY

Placing of 25,000,000 11 1/4 per cent Redeemable Debenture Stock, 2004 at 299 per cent.

Application has been made to the Council of the Stock Exchange for the above Stock to be admitted to the

UK COMPANY NEWS

MINING NEWS

Uranium profit supports EZ

THE CONTINUED fall in prices for copper and gold and a series of industrial disputes combined to bring about a sharp reduction in the profitability of EZ Industries, the diversified Australian mining group, in the year to June 30.

These adverse factors more than offset the beneficial impact on the group's results of the improvement in zinc and lead prices, and EZ would have been forced to report a loss for the period but for the 12 per cent increase in the Foreign Resources of Australia (ERA), which operates the big and profitable Ranger uranium mine in Australia's Northern Territories.

The contribution from this source enabled EZ to report net profits of A\$16.6m (£10.8m), down 43 per cent on the previous year. A\$22.2m.

The final dividend has been cut from 9 cents last year to 5 cents, making a total of 7 cents compared with 12 cents previously.

Turnover rose from A\$20.6m to A\$21.8m, while ERA continued to do well over the same 12-month period, with net profits little changed from the year before at A\$57.49m. The company maintained its policy of distributing at least 75 per cent of earnings in the form of dividends, so the payment totalled 12.5 cents.

This is a significant figure for both EZ and the other large shareholder in ERA, Peko-Wallace, end which also owns one-third of the uranium producer. The two companies own special "A" shares, which were not entitled to the payment of dividends from ERA until the level

of payments reached 12.5 cents for copper and gold and a series of industrial disputes combined to bring about a sharp reduction in the profitability of EZ Industries, the diversified Australian mining group, in the year to June 30.

EZ is currently the subject of a takeover bid by the associated company North Broken Hill Holdings. The latter is reported to have raised its stake in EZ recently to 64 per cent.

Another Australian company with uranium interests, Mary Kathleen Uranium, has reported a net profit of the six months to the end of June of A\$6.5m.

This compares with a profit in the opening six months of 1983 of A\$8.9m, before an extraordinary item of A\$3.4m from the sale of fixed assets following the closure of the mine and township.

Mining operations at MKU ceased almost three years ago, the remaining costs being met from stockpiled material.

Of the 193 tonnes due for delivery this year, 98 tonnes were shipped during the past six months and the remainder will be delivered in December.

An interim dividend of 5 cents was declared by MKU, owned to 51 per cent by CRA, in which the Rio Tinto-Zinc group holds 52.9 per cent.

The company said that its rehabilitation programme has been delayed by the heavy rains experienced earlier this year, which have prolonged the drying out of the evaporation ponds.

The programme will now extend into 1985, with the final date for completion being dependent on conditions during next year's wet season.

Johnnies does well

SOUTH AFRICA'S Johannesburg Consolidated Investment ("Johnnies") mining and industrial group has maintained the impetus shown at the half-year stage to lift net profits for the full year to June 30 by 20.4 per cent to a record R12.7m (£10.8m), up 1.68% per share.

The company, which produced 1.682-53 of R102.7m.

Following an increase of 50 cents in the interim dividend the final is raised by a like amount to 570 cents (R2.1p) making a total for the year of 750 cents against 650 cents.

It is possible that they may feel a colder draught in the current 12 months, but the platinum and diamond interests should again do well.

Net current assets stand at the usual big premium over the share price, amounting to R276 (£13.8p) per share compared with London's share price of £73 at which the dividend yield is now just over 5 per cent.

Bougainville profits fall

EARNINGS of the Rio Tinto Zinc group's Bougainville copper-gold operation in Papua New Guinea have virtually halved in the first six months of this year and the company says that if the current low metal prices persist results for the second half will be lower.

The interim dividend is reduced to 2 toea (1.7p) from 5 toea. A final of 8 toea was paid for last year.

New consolidated profits for the six months to June 30 have dropped to K16.4m (£12.8m) from K32.8m in the same period

of last year. Turnover fell to R17.01m from K21.2m.

The major factor in the downturn were lower metal prices and reduced production, the latter reflecting the declining trend in ore grades as open-pit operations move into the lower ground.

Copper production in the half year fell to 88,195 tonnes from 93,047 tonnes in the same period of 1983, while gold output declined to 8,841 kilograms from 9,929 kg and that of silver 22,537 kg compared with 23,881 kg.

MINING NEWS IN BRIEF

June.

Westfield, part of the Northgate Exploration group, had a net profit for the period of C\$5.24m or 83 cents a share, compared with C\$4.66m or 77 cents in the first half of 1983.

The July figure brought the cumulative total for the first seven months of 1984 to 12,680,447 oz, a little below the 12,713,481 oz which had been produced at the same stage of 1983.

Extraordinary gains totalling C\$8.3m (£5.5m) from the public flotation of the exploration vehicle Enex International and the sale of part of the holding in the Australian gold mining operations of Whim Creek Consolidated allowed Canada's Westfield Minerals to report a profit for the six months to

BASE LENDING RATES

A.B.N. Bank 10.4%	Hill Samuel 10.4%
Allied Irish Bank 10.4%	C. Hoare & Co. 10.4%
Amro Bank 10.4%	Hongkong & Shanghai 10.4%
Henry Ausbacher 10.4%	Kingsworth Trust Ltd 10.4%
Associates Corp. Corp. 10.4%	Knowles & Co. Ltd 11.5%
Banco de Bilbao 10.4%	Lloyds Bank 10.4%
Banc Hapoalim 10.4%	Malinhill Limited 10.4%
ECCI 10.4%	Matthewson & Co. 12.5%
Bank of Ireland 10.4%	Meghraj and Sons Ltd. 10.4%
Bank of Cyprus 10.4%	Midland Bank 10.4%
Bank of Scotland 10.4%	Morgan Grenfell 10.4%
Barclays Bank 10.4%	National Bank of Kuwait 10.4%
Barque Belge Ltd. 10.4%	National Girobank 10.4%
Barclays Bank 10.4%	National Westminster 10.4%
Financial Trust Ltd. 10.4%	Northumbrian 10.4%
First Bank of Mid. East 10.4%	P. F. Peat's Tse & Co. Ltd. 12.5%
CL Bank Nederland 10.4%	R. Raphael & Sons 10.4%
Carter Ltd. 10.4%	P. S. Petson & Co. 10.4%
Charter Holdings Japet. 10.4%	Royal Trust Co. Canada 10.4%
Chouartians 12.5%	Rutherford Guarantee 11.4%
Citibank NA 10.4%	Standard Chartered 10.4%
Citibank Savings 11.2%	Trade Dev. Bank 10.4%
Clydesdale Bank 10.4%	TCB 10.4%
Coe, E. Carter, Ltd. 10.4%	Trustee Savings Bank 10.4%
Commer. Br. N. East 10.4%	United Bank of Kuwait 10.4%
Consolidated Creditors 12.5%	United Cycles 10.4%
Co-operative Bank 10.4%	Volkswagen Bank. 10.4%
The Cyprus Popular Br. 10.4%	Westpac Limitee 10.4%
Dunbar & Co. Ltd. 10.4%	Westpac Banking Corp. 10.4%
Duncan Lawrie 10.4%	Whiteaway Ludlow 11.4%
E. T. Trust 11.5%	Williams & Glynn's 10.4%
Exeter Trust Ltd. 11.5%	Wintrust Secs. Ltd. 10.4%
Frist Natl. Fin. Corp. 14.4%	Yorkshire Bank 10.4%
Frost, Natl. Secur. Ltd. 10.4%	Yugoslav. 10.4%
Robert Fleming & Co. 10.4%	Zurich 10.4%
Robert Fraser 11.5%	
Grindlays Bank 10.4%	
Gulfcoast Mahon 10.4%	
Hambros Bank 10.4%	
Herritable & Gen. Trust 10.4%	

* Montage base rate.

UK COMPANY NEWS

BIDS AND DEALS

New political and war risk insurer

THREE MAJOR international insurance groups, the U.S. Continental Corporation, the Swedish Skandia International Insurance Corporation and the Japanese Yasuda Fire and Marine Insurance Company, have joined forces to launch a new political and war risk insurance operation, PanFinancial, specialising in political and war credit risk insurance on a worldwide basis.

PanFinancial will have an initial capitalisation of \$5m held equally by the three groups. It will commence operations with a portfolio of excess credit insurance purchased from British National Insurance Company, which will continue to be a major participant as a

BOARD MEETINGS

Barrow Hepburn	Sept 19
Bernard (James)	Sept 20
Glenfield Lawrence	Sept 21
Pearson	Sept 22
Reckitt and Colman	Sept 23
Rowntree & Son and Proctor Gold Fund	Sept 24
Sedgwick	Sept 25
Tewkesbury	Sept 26
Winton	Sept 27
Finals:	Sept 28
Bracken Mines	Sept 29
Centors	Sept 30
Consolidated Plantations	Sept 31
Kinross Mines	Sept 1
Laslie Gold Mines	Sept 2
London & Prov Shop Centres	Sept 3
Smith Worldwide	Sept 4
Union Zinc Mines	Sept 5
Winkleback Mines	Sept 6

INTERIM & FUTURE DATES

Interim: Anglo American Gold Ind. Sept 6
Bank of Scotland Sept 25

Final: Compcor.

Sept 25 Amended

recently, political and war risks were covered either by ECGD or by the Export Credit Agency, the Department of Trade and Industry in the UK, or by Lloyd's, while credit risk insurance is offered by a relatively few number of specialised insurance companies.

However, Government activation in this field which were mainly in the oil and gas sectors have been running into increasing financial problems in recent years. The mounting

basis primarily as a backing to boost exports or overseas development. Multinational companies now seek this type of insurance as an integral part of their overall and ongoing insurance needs.

The three companies participating in this new venture claim that the insurance market has kept abreast of client needs in these fields and that the London insurance market, including Lloyd's, has shown a singularly restrictive attitude to these new demands.

The intention of the new company is to develop insurance products and ideas that will meet these new requirements. The intention is for PanFinancial to expand rapidly, using its experience of eight control, since these areas are high risk insurance fields, worth much of the business coming initially from client companies of the three participants, the rest coming through insurance brokers.

The participants are seeking a fourth partner in the venture of a similar size, possibly from another EEC country. Even so the combined assets of the three groups is in excess of £23bn.

The intention of the new company is to develop insurance products and ideas that will meet these new requirements. The intention is for PanFinancial to expand rapidly, using its experience of eight control, since these areas are high risk insurance fields, worth much of the business coming initially from client companies of the three participants, the rest coming through insurance brokers.

The participants are seeking a fourth partner in the venture of a similar size, possibly from another EEC country. Even so the combined assets of the three groups is in excess of £23bn.

The intention of the new company is to develop insurance products and ideas that will meet these new requirements. The intention is for PanFinancial to expand rapidly, using its experience of eight control, since these areas are high risk insurance fields, worth much of the business coming initially from client companies of the three participants, the rest coming through insurance brokers.

The participants are seeking a fourth partner in the venture of a similar size, possibly from another EEC country. Even so the combined assets of the three groups is in excess of £23bn.

The intention of the new company is to develop insurance products and ideas that will meet these new requirements. The intention is for PanFinancial to expand rapidly, using its experience of eight control, since these areas are high risk insurance fields, worth much of the business coming initially from client companies of the three participants, the rest coming through insurance brokers.

The participants are seeking a fourth partner in the venture of a similar size, possibly from another EEC country. Even so the combined assets of the three groups is in excess of £23bn.

The intention of the new company is to develop insurance products and ideas that will meet these new requirements. The intention is for PanFinancial to expand rapidly, using its experience of eight control, since these areas are high risk insurance fields, worth much of the business coming initially from client companies of the three participants, the rest coming through insurance brokers.

The participants are seeking a fourth partner in the venture of a similar size, possibly from another EEC country. Even so the combined assets of the three groups is in excess of £23bn.

The intention of the new company is to develop insurance products and ideas that will meet these new requirements. The intention is for PanFinancial to expand rapidly, using its experience of eight control, since these areas are high risk insurance fields, worth much of the business coming initially from client companies of the three participants, the rest coming through insurance brokers.

The participants are seeking a fourth partner in the venture of a similar size, possibly from another EEC country. Even so the combined assets of the three groups is in excess of £23bn.

The intention of the new company is to develop insurance products and ideas that will meet these new requirements. The intention is for PanFinancial to expand rapidly, using its experience of eight control, since these areas are high risk insurance fields, worth much of the business coming initially from client companies of the three participants, the rest coming through insurance brokers.

The participants are seeking a fourth partner in the venture of a similar size, possibly from another EEC country. Even so the combined assets of the three groups is in excess of £23bn.

The intention of the new company is to develop insurance products and ideas that will meet these new requirements. The intention is for PanFinancial to expand rapidly, using its experience of eight control, since these areas are high risk insurance fields, worth much of the business coming initially from client companies of the three participants, the rest coming through insurance brokers.

The participants are seeking a fourth partner in the venture of a similar size, possibly from another EEC country. Even so the combined assets of the three groups is in excess of £23bn.

The intention of the new company is to develop insurance products and ideas that will meet these new requirements. The intention is for PanFinancial to expand rapidly, using its experience of eight control, since these areas are high risk insurance fields, worth much of the business coming initially from client companies of the three participants, the rest coming through insurance brokers.

The participants are seeking a fourth partner in the venture of a similar size, possibly from another EEC country. Even so the combined assets of the three groups is in excess of £23bn.

The intention of the new company is to develop insurance products and ideas that will meet these new requirements. The intention is for PanFinancial to expand rapidly, using its experience of eight control, since these areas are high risk insurance fields, worth much of the business coming initially from client companies of the three participants, the rest coming through insurance brokers.

The participants are seeking a fourth partner in the venture of a similar size, possibly from another EEC country. Even so the combined assets of the three groups is in excess of £23bn.

The intention of the new company is to develop insurance products and ideas that will meet these new requirements. The intention is for PanFinancial to expand rapidly, using its experience of eight control, since these areas are high risk insurance fields, worth much of the business coming initially from client companies of the three participants, the rest coming through insurance brokers.

The participants are seeking a fourth partner in the venture of a similar size, possibly from

UK COMPANY NEWS

Argyll outlines expansion strategy

Argyll Group is aiming to develop as a broadly based and increasingly international food and drink concern, building on its growing distribution operation, says Mr James Gulliver, the chairman, in his annual statement.

In addition to outlining future objectives, Mr Gulliver tells shareholders that Argyll should show further substantial progress when it reports on the current half year to the end of September.

Within the food division sound progress is being made in branding. Argyll Foods' net margins are competitive with the best in the industry.

Argyll, the large stores operation, has extended its market penetration with turnover and profit growth in the South, outside its traditional Scottish and North Eastern regions.

Over the past three years, Presto's operating profits have grown by 241 per cent from £4.5m to £14.9m and its turnover by 34 per cent to £84.5m.

Operating margins have improved from 4.5 per cent to 6 per cent, and with turnover for the current year projected to be in excess of £70m and planned sales area at more than 23m sq ft at the year end, the chairman says that Argyll is committed to expand and strengthen Presto's position as a leading national chain.

"Two years ago, Presto's opening programme was geared to less than 10 stores a year. It is

now aimed at 20 new stores, and with 13 stores already committed for the next fiscal year, I expect that we shall be close to this target."

"In the meantime, we have been fortunate to supplement our existing store development programme by the purchase of six Mainstore stores and more recently six Keymarket stores."

"At the moment, we now operate under the Presto fascia and we are pleased with the contribution to sales and profit which they are making," says Mr Gulliver.

He stresses that Argyll is less committed to the development of other food activities which comprise predominantly the smaller retail grocery stores. These number 900 in total with 100 more planned.

"We believe in the long term trading opportunities afforded by the well located convenience or limited range discount store and view with confidence the prospect for their continued profit growth, associated with an attractive investment return," says Mr Gulliver.

The reduction in sales area which has characterised the Liptons division is now being reversed. Seven new openings, totalling 54,000 sq ft of sales area, are planned for 1984 and is anticipated for the first time in many years that this operation will end the current year with a larger sales area than it started with.

Furthermore, Mr Gulliver says



Mr James Gulliver, chairman of Argyll Group

with an annual turnover last year of £125m.

Opportunities for similar acquisitions will, however, become more difficult, says Mr Gulliver, due to the growing concentration of the UK food retail industry. He goes on to say that there is considerable merit in contemplating the acquisition of a small US food retail chain.

"This would give us full access to North American retail practices and technology and, we believe, provide us with major operating benefits," he says but states that any move in this direction will not, however, place limits on the short term.

The drink division, Analytical Distilled Products, which contributed 27 per cent of the group's £44.7m operating profit last year is of long-term strategic importance.

"It provides us with a major diversification opportunity in a product are wholly allied with food," Mr Gulliver says and points out that it also gives Argyll its first U.S. investment.

The UK retail distribution base extends to more than 3,000 off-licences through food retail stores and Liquorstore outlets within the North West Vintners business.

In addition, in the U.S., Barton Branda has wholesale outlets in virtually all States of the Union. Argyll is also increasing its representation elsewhere in world markets.

Sangers loss at £308,000: looking for acquisitions

Sangers has turned in profits before tax up by 28 per cent from £401,000 to £503,000 in the year to April 28, 1984.

The improvement for this operator of beef bars, which has had a USM quotation since 1980, came from turnover which rose by only 9.4 per cent from £5.27m to £5.71m.

The directors state that during the first quarter of the current financial year a pilot scheme involving higher margin merchandise has been introduced into a small number of locations.

Indications are encouraging

and if the evidence continues to build it would be the company's intention to extend the scheme to many more branches.

Heelamat upturn continues with 25% profit increase

CONTINUING THE upturn started at midway, Heelamat Holdings has turned in profits before tax up by 28 per cent from £401,000 to £503,000 in the year to April 28, 1984.

The improvement for this operator of beef bars, which has had a USM quotation since 1980,

came from turnover which rose by only 9.4 per cent from £5.27m to £5.71m.

The directors state that during the first quarter of the current financial year a pilot scheme involving higher margin merchandise has been introduced into a small number of locations.

Indications are encouraging

and if the evidence continues to build it would be the company's intention to extend the scheme to many more branches.

Last year, Mr Mike Strom, the chairman, reported on the progress the group had made towards streamlining the merchandise control procedures,

including the expansion of the central warehouse. This has now

been completed and much of the increased sales in certain pro-

duct lines has been as a direct

result of the improved replenish-

ment, however, the benefit only

applied to the first stages of the

year and the full effect is yet to

be realised, he states.

The company's short term

performance has been affected

by the exceptional dry spell

during the summer. However,

having regard to the develop-

ments, it views the future with

confidence.

The final dividend is un-

changed at 3.6p to hold the total for the year at 5.6p net per 10p share.

The tax charge for the year was substantially higher at £234,000 against £123,000, and there was an extraordinary debit of £415,000 (nil) this time to

provide for deferred tax.

An attributable deficit of £1,000,000 (prior year £75,000) was

transformed into a surplus of £432,000 (£752,000) with the addition of last year's retained profits at £578,000 (£473,000).

Dividends took an unchanged £174,000 and left the group's retained £320,000 down at £268,000.

Earnings per share before the extraordinary item are given as 5.7p (5p) undiluted and 4.8p (5p) fully diluted.

Group turnover amounted to £10.24m (£10.38m).

Benford recently secured an overseas government contract in the face of fierce competition from the Far East, which, despite low margins, will make some contribution to the second half

and, by turning stock into cash will improve the revenue from interest receivable.

Tax for the first half amounted to £205,000 (£210,000), and minorities came to £18,000 this time.

A FALL in pre-tax profits from £1.13m to £803,000 has been shown by Benford Concrete Machinery for the first half of 1984. The directors say that group results for 1984 are not expected to equal those of 1983, when pre-tax profits fell from £2.2m to £1.78m.

The net interim dividend is held at 1p—in the last full year under review, the directors say that results relate mainly to Benford where turnover was similar to that of the corresponding period but where profit margins were halved.

The directors say that pros-

pects for 1985 show an improve-

ment in profit levels in view of

measures taken and providing

there is no further reduction in

demand for construction equip-

ment, especially from the main

export market.

Commenting on the period

under review, the directors say

that results relate mainly to Ben-

ford where turnover was simi-

lar to that of the corresponding

period but where profit margins

were halved.

Norton Opax plc**Significant increase in profits****Highlights from Mr David Rocklin's Annual Statement**

* Group trading profit before interest and extraordinary items increased by almost 50% and turnover was up 66%. This significant increase has been achieved by both improved results from existing companies and the additional contributions from recent acquisitions.

* During the year the Group continued to be in the forefront of laser print technology, with particular advances in the fields of data collection and the printing of cheque books.

* The Board proposed a one-for-three Rights Issue at 90p per new share—this additional capital will be used to finance the Group's 1984-85 investment programme. The closing date for applications is Tuesday, 4th September, 1984.

* The Group now consists of 23 trading companies which provide a strong basis for profitable expansion. Unaudited management accounts show a healthy increase in sales in the first quarter of 1984-85, matched by a significant improvement in overall margins.

Summary of Results

for the year ended 31st March

	1984	1983
£'000	£'000	£'000
Turnover	17,627	10,600
Trading Profit	1,633	1,099
Interest Paid (net)	331	85
Profit before taxation	1,302	1,014
Dividends per share (net)	3.00p	2.16p

Copies of the Annual Report, containing the Chairman's Statement in full, are obtainable from The Secretary, Norton Opax plc, 11 Ripon Road, Harrogate HG1 2JA.

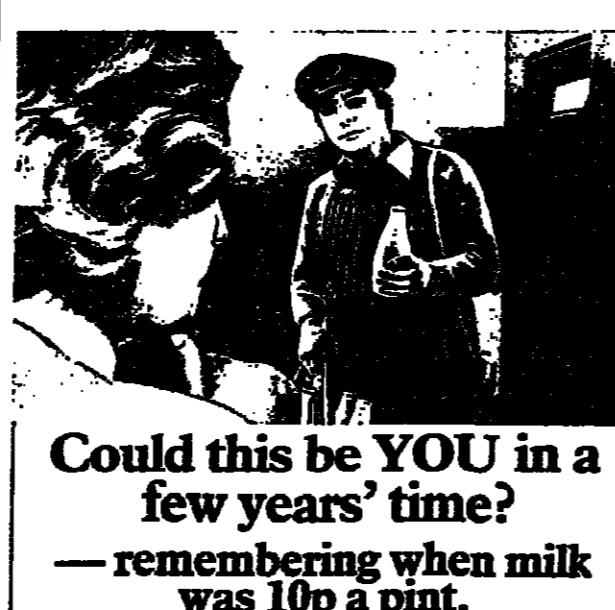
Financial Times Conference Organisation

Financial Times conferences have been organised all over the world on a wide range of subjects. They are always topical and are often used as vehicles for governmental policy statements.

For details of forthcoming conferences please contact:

Financial Times Conference Organisation,
Minster House,
Arthur Street, London EC4R 9AX.
Tel.: 01-621-1355. Telex: 27347 FT CONFG.

Financial Times conferences have a high reputation throughout the business world as an opportunity to exchange ideas and keep up with the latest developments in all areas of activity.



Could this be YOU in a few years' time?

—remembering when milk was 10p a pint.

Never thinking that one day buying another pint of milk would be a decision calling for a second thought.

These are the needy whose provision for their twilight years was fixed at a time when index linked pensions had yet to be invented and inflation was still low.

The DGAA is not alone; indeed we help to meet the needs of many people who stay in their own homes in their declining years. And when they can no longer manage at home, help us to maintain our Residential and Nursing Homes so that we can continue to provide friendly accommodation to meet their needs.

A donation, covenant subscription or legacy would do so much for those unable through age or infirmity to help themselves... people like you.

THE DISTRESSED GENTLEFOLK'S AID ASSOCIATION

Founded 1897, Pavillion H.M., Queen Elizabeth, the Queen Mother
Dept. 7, Vicarage Gate House, Vicarage Gate, London W8 4AG. Tel: 01-228 8541

HELP THEM GROW OLD WITH DIGNITY

JEP/cis/SL

This announcement appears as a matter of record only.

**DAI-ICHI KANGYO BANK NEDERLAND N.V.**

(Amsterdam, the Netherlands)

Dfls 50,000,000

8½% bearer Notes 1984 due August 15, 1989

Amsterdam-Rotterdam Bank N.V.

Bank Mees & Hope NV

Dai-Ichi Kangyo Bank Nederland N.V.

Algemene Bank Nederland N.V.

Swiss Bank Corporation International Limited

Pierson, Heldring & Pierson N.V.

August 1984

Closing prices, August 28

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

Continued on Page 19

LONDON STOCK EXCHANGE

MARKET REPORT

RECENT ISSUES

Slightly nervous awaiting clearer picture to emerge from confused dock situation

Account Dealing Dates

First Dealing Last Account
July 30 Aug 9 Aug 16 Aug 20
Aug 12 Aug 30 Aug 31 Sept 10
Sept 3 Sept 13 Sept 14 Sept 24

"New time" dealings may take place 2.30 pm two business days earlier.

Awaiting a clearer picture to emerge from the confused UK dock scene, London stock markets traded slightly lower yesterday. Business resumed after the holiday weekend in the same key as on the previous Friday. Investors' enthusiasm was additionally curbed by the revised US concern over the outlook for short-term interest rates.

Some dockers at ports up and down the country yesterday voted in favour of a strike but others decided to defy union instructions. Men in other ports will decide later this week whether or not to heed the call. Until these decisions are made stock markets are likely to remain uncertain.

Foreign exchange dealers, however, were impressed by sterling's stability in the face of the bad news. The pound actually improved against the dollar and this imparted some comfort to stock markets. Gilt-edged stocks ran into a little nervous selling initially but the losses were later halved and very few issues closed more than 3 down on the session. Short-dated Gilts were especially resilient and lost only 1 despite harder money market rates.

Leading industrial shares began steadily, although one or two stocks favoured by American investors gave ground in the wake of Wall Street overnight. The continued absence of any worthwhile interest later caused prices to ease and from noon onwards the index was down 4 points down. Afternoon trading was extremely quiet and the index closed 4.4 lower on balance at 882.4. Weekend newspaper comment brought few features, either good or bad, and even speculative business was minimal.

Midland easier

In very thin postholiday trading the major clearing banks drifted lower for want of support. Midland, at 327p, led the retreat, while Barclays slipped 2 to 455p and the softener 2 at 425p. Elsewhere, Hong Kong and Shanghai hardened 14 to 61p following the interim results but Deutsche fell 11 points to 287p on domestic market influences.

Derey Bryant provided a firm feature in Insurances, rising 10 to 260p in response to Press comment. Reed Stearns jumped 30 to 700p in a restricted market, while Range added 2 few cents to 480. The latter's today's interim results, Up 154 points last week, Allianz Versicherung advanced 73 points more to £323 on renewed domestic support.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS

Figures in parentheses show number of stocks per section

	Tues Aug 28 1984									
	Index No.	Day's Change %	Day's High	Day's Low	Fri Aug 24	Thur Aug 23	Wed Aug 22	Tues Aug 21	Mon Aug 20	Year ago (approx.)
1 CAPITAL GOODS (204)	501.29	-0.4	101.13	91.91	12.37	502.24	499.95	505.00	504.00	466.42
2 Building Materials (23)	454.97	-0.3	143.83	52.27	8.79	456.24	454.87	462.35	460.90	420.94
3 Contracting, Construction (30)	681.84	+0.1	143.38	55.56	155.6	681.29	679.99	682.23	681.9	524.40
4 Electronics (14)	1265.94	-0.2	18.29	4.77	12.05	1278.69	1282.62	1294.57	1291.11	1279.41
5 Electronics (32)	705.64	-0.4	8.21	2.30	15.44	1798.27	1775.66	1801.5	1781.60	1280.41
6 Mechanical Engineering (42)	246.93	-0.4	11.64	4.97	10.47	247.05	249.23	250.5	250.69	220.69
7 Metal and Metal Forming (9)	509.54	-0.2	10.77	5.09	10.77	509.54	509.25	511.14	511.78	459.09
8 Metals (27)	124.76	-0.2	10.36	5.29	10.36	124.76	124.76	125.0	125.0	112.00
9 Other Industrial Materials (17)	681.47	+0.1	18.82	5.68	18.82	680.53	680.53	680.53	680.53	624.34
10 Other Industrial Materials (7)	510.57	-0.2	11.97	4.39	11.23	511.96	511.75	512.47	512.47	455.09
11 CONSUMER GROUP (155)	509.28	-0.5	12.55	5.63	9.43	505.54	509.25	511.74	511.74	453.97
12 Food Manufacturing (22)	371.66	-0.2	14.41	5.59	5.58	392.58	391.47	394.95	392.89	338.84
13 Food Retailing (12)	727.45	-0.4	5.74	2.78	20.94	726.23	725.05	726.45	726.45	707.89
14 Motor Cars (2)	527.43	-0.2	11.77	5.63	11.77	526.23	526.23	526.23	526.23	477.89
15 Motorcycles, Publishing (13)	1278.60	-0.2	14.33	4.27	12.05	1280.30	1280.30	1280.30	1280.30	1280.30
16 Packaging and Paper (15)	247.69	-0.7	14.57	5.71	7.94	245.20	243.55	246.95	246.95	185.07
17 Stores (45)	404.32	-1.7	9.79	4.10	15.21	403.71	403.71	403.71	403.71	350.10
18 Textiles (39)	266.72	-0.5	13.02	5.02	12.05	265.94	265.94	267.07	267.07	215.53
19 Tobacco (3)	677.44	-0.5	16.74	5.38	6.74	680.91	682.62	686.07	687.21	613.35
20 Other Consumer (50)	483.57	-0.2	14.41	4.68	4.68	485.13	484.71	485.51	487.51	417.44
21 OTHER GROUPS (155)	467.97	-0.2	18.69	4.69	11.70	468.50	468.50	469.50	469.50	409.72
22 BREWERS AND DISTILLERS (23)	508.28	-0.5	12.55	5.63	9.43	505.54	509.25	511.74	511.74	453.97
23 FOOD RETAILING (12)	727.45	-0.4	5.74	2.78	20.94	726.23	725.05	726.45	726.45	707.89
24 Motorcycles, Publishing (13)	1278.60	-0.2	14.33	4.27	12.05	1280.30	1280.30	1280.30	1280.30	1280.30
25 Packaging and Paper (15)	247.69	-0.7	14.57	5.71	7.94	245.20	243.55	246.95	246.95	185.07
26 Stores (45)	404.32	-1.7	9.79	4.10	15.21	403.71	403.71	403.71	403.71	350.10
27 Textiles (39)	266.72	-0.5	13.02	5.02	12.05	265.94	265.94	267.07	267.07	215.53
28 Tobacco (3)	677.44	-0.5	16.74	5.38	6.74	680.91	682.62	686.07	687.21	613.35
29 OTHER CONSUMER (50)	483.57	-0.2	14.41	4.68	4.68	485.13	484.71	485.51	487.51	417.44
30 OTHER GROUPS (155)	467.97	-0.2	18.69	4.69	11.70	468.50	468.50	469.50	469.50	409.72
31 OTHER INDUSTRIAL MATERIALS (7)	508.28	-0.5	12.55	5.63	9.43	505.54	509.25	511.74	511.74	453.97
32 OTHER INDUSTRIAL MATERIALS (7)	681.47	+0.1	18.82	5.68	18.82	680.53	680.53	680.53	680.53	624.34
33 OTHER INDUSTRIAL MATERIALS (7)	510.57	-0.2	11.97	4.39	11.23	511.96	511.75	512.47	512.47	455.09
34 OTHER INDUSTRIAL MATERIALS (7)	509.28	-0.5	12.55	5.63	9.43	505.54	509.25	511.74	511.74	453.97
35 OTHER INDUSTRIAL MATERIALS (7)	371.66	-0.2	14.41	5.59	5.58	392.58	391.47	394.95	392.89	338.84
36 OTHER INDUSTRIAL MATERIALS (7)	266.72	-0.5	13.02	5.02	12.05	265.94	265.94	267.07	267.07	215.53
37 OTHER INDUSTRIAL MATERIALS (7)	1278.60	-0.2	14.33	4.27	12.05	1280.30	1280.30	1280.30	1280.30	1280.30
38 OTHER INDUSTRIAL MATERIALS (7)	247.69	-0.7	14.57	5.71	7.94	245.20	243.55	246.95	246.95	185.07
39 OTHER INDUSTRIAL MATERIALS (7)	404.32	-1.7	9.79	4.10	15.21	403.71	403.71	403.71	403.71	350.10
40 OTHER INDUSTRIAL MATERIALS (7)	677.44	-0.5	16.74	5.38	6.74	680.91	682.62	686.07	687.21	613.35
41 OTHER INDUSTRIAL MATERIALS (7)	510.57	-0.2	11.97	4.39	11.23	511.96	511.75	512.47	512.47	455.09
42 OTHER INDUSTRIAL MATERIALS (7)	509.28	-0.5	12.55	5.63	9.43	505.54	509.25	511.74	511.74	453.97
43 OTHER INDUSTRIAL MATERIALS (7)	371.66	-0.2	14.41	5.59	5.58	392.58	391.47	394.95	392.89	338.84
44 OTHER INDUSTRIAL MATERIALS (7)	266.72	-0.5	13.02	5.02	12.05	265.94	265.94	267.07	267.07	215.53
45 OTHER INDUSTRIAL MATERIALS (7)	1278.60	-0.2	14.33	4.27	12.05	1280.30	1280.30	1280.30	1280.30	1280.30
46 OTHER INDUSTRIAL MATERIALS (7)	247.69	-0.7	14.57	5.71	7.94	245.20	243.55	246.95	246.95	185.07
47 OTHER INDUSTRIAL MATERIALS (7)	404.32	-1.7	9.79	4.10	15.21	403.71	403.71	403.71	403.71	350.10
48 OTHER INDUSTRIAL MATERIALS (7)	677.44	-0.5	16.74	5.38	6.74	680.91	682.62	686.07	687.21	613.35
49 OTHER INDUSTRIAL MATERIALS (7)	510.57	-0.2	11.97	4.39	11.23	511.96	511.75	512.47	512.47	455.09
50 OTHER INDUSTRIAL MATERIAL										

"Income Driven"
An investment strategy
for today's markets

Ring Fidelity Fidelity



FT LONDON SHARE INFORMATION SERVICE

AMERICANS

High	Low	Stock	Price	% Chg.	Yield	Div	Gross	Yield	PE
1984									

INSURANCE, OVERSEAS & MONEY FUNDS

INSURANCE, OVERSEAS & MONEY FUNDS

COMMODITIES AND AGRICULTURE

Stocks fall boosts copper

By Our Commodities Editor
COPPER prices moved further ahead on the London Metal Exchange yesterday following another decline in warehouse stocks.

Although the downturn in LME warehouse holdings was lower than some trade forecasts, the market was buoyed up by the firm trend in New York over the holiday weekend and continued speculative buying support.

Technical considerations are also keeping prices up, with standard grade cathodes maintaining their usual prime premium over higher grade copper.

There remains a shortage of immediately available supplies of standard grade copper al-

STOCKS IN LONDON METAL EXCHANGE Warehouses		
(Change in week ending Aug. 24)		
Aluminium	-550 to 1,343,300	
Copper	+7,050 to 169,550	
Lead	+275 to 54,450	
Nickel	-395 to 20,248	
Tin	+15 to 26,088	
Zinc	-1,725 to 50,075	
Silver	+268,000 to 59,720,000 (ounces)	

though the cash price has moved back to a slight discount compared with the three month quotation.

While copper prices were firmer, other base metals lost ground.

Lead was depressed by the rise in warehouse stocks and a report that the U.S. producer, St Joe, was considering resuming production at its Herculaneum smelter in Missouri.

The smelter halted operations on May 20, following a strike at the nearby mines that cut off its source of concentrate supplies. However, it is said to have accumulated concentrate stocks as a result of production by non-union personnel at the strike bound mines.

Second frost hits Brazilian coffee region

By ANDREW WHITLEY IN SAN PAULO

THE SECOND frost of yesterday morning hit the coffee growing regions of Paraná State, Brazil's second largest coffee producer. But accurate estimates of the damage suffered will not be available until the end of the week.

Parana was devastated over the weekend by a sudden cold snap which has wiped out up to half of this year's oats, rye and barley crops, as well as a substantial proportion of the state's wheat, and virtually all of its salad vegetables.

Preliminary estimates of the damage to next year's coffee crop are of a loss of between 1.5m and 2.4m bags (60 kilos each) based on a judgment that about 20 per cent of the coffee trees were frost-bitten. The frost affected the import-ant second flowering on the

trees responsible for up to 40 per cent of the crops.

Mr Nair Correa de Campos of the Paraná Agriculture Secretariate said yesterday that the second frost had not been as severe as that which hit the region of Sunday morning. The southern part of the state had been most affected.

The unexpected cold spell coming right at the end of Brazil's winter has lasted now for about a week, covering the entire south and south-east of the country as far north as Rio with a mass of cold air.

Porto Alegre the capital of Rio Grande do Sul state in the far south, was shocked at the end of last week by its first snow for 75 years.

So far, São Paulo state the biggest coffee producing region in Brazil has not reported any frost damage, but the cold

weather is still continuing so the danger has not passed.

Meanwhile, the damage already inflicted on food and animal feedcrops in Paraná, the country's leading producer of most temperate climate crops, is likely to lead to a sharp increase in domestic food prices, already well above the official inflation figure.

Parana had been forecasting a wheat output this year of between 1m and 1.1m tonnes, but this has been cut by a third to between 700,000 and 760,000 tonnes because of the combined effects of drought in the north of the state and last weekend's frost.

As Brazil usually has a deficit of wheat, the difference will probably have to be made up through additional imports. Traditional suppliers are Canada, the U.S. and Argentina.

The Paraná Agriculture Secretariate said yesterday that 50 per cent of the state's rye, 50 per cent of the barley and 35 per cent of the oats had been lost.

More critically for most ordinary Brazilians will be the estimated destruction of 70 per cent of this year's black bean crop, a basic staple from the state.

Richard Moody writes: Coffee prices soared yesterday morning on the London futures market as traders rushed to cover earlier short sales and open new speculative long positions in response to the Brazilian frost news.

The market opened with the spot September position standing at £3.55 a tonne, up £176 from the pre-weekend close, but this level was not held for long.

The initial rise was based on

rumours that damage from the first frost amounted to about 4m bags but this was quickly reassessed and by the end of the day most traders were estimating that losses were unlikely to exceed 1m bags.

The September futures quotation was quoted at £2,421 a tonne, and the November position, which had opened at £2,510 a tonne, ended £46.50 up on balance at £2,556 a tonne, 276 up on Friday's close.

A sharp rise in values during the morning session was expected, since it followed the upturn in the New York market over the holiday weekend when London was closed.

What surprised traders was the fact that the market, after drifting lower at the end of the morning, suddenly took off in the afternoon for no apparent reason.

Sustained, heavy buying came from one or two individual trade sources pushing up prices by £70 in the afternoon on one stage.

The shortage of immediately available supplies continues to boost the nearby delivery months, particularly the Sep-

Sugar values rise sharply

BY OUR COMMODITIES STAFF

RENEWED speculative buying lifted world sugar values sharply yesterday. The London sugar price was fixed at \$122.50 in the morning, up from the December position ended at \$10.80 above the pre-holiday level at \$140.40 a tonne.

Dealers could suggest no fundamental factors to explain the rise, which they attributed mainly yesterday. The London sugar price was fixed at \$122.50 in the morning, up from the December position ended at \$10.80 above the pre-holiday level at \$140.40 a tonne.

Western European output was put at 17.67m tonnes, up from 16.52m in 1983/84.

• Louro Sugar Corporation expects its Southern African sugar production to be down everywhere except at Glendale in Natal, South Africa, after a near record total crop of 443,521 tonnes last year, reports Reuter from Big Bend, Swaziland.

EEC import price rise dismays dried fruit trade

BY A CORRESPONDENT

Next Saturday the British dried fruit trade will move a step further away from the free market as Brussels takes firmer control on pricing.

September 1 is the date when the EEC's minimum import price (MIP) for sulphuric acid is 74 pence to £59.32 a tonne, forcing third count suppliers, notably Australia and Turkey, to lift their quotations accordingly. UK dried fruit imports are currently valued at about £50m a year.

The MIP was adopted in October 1982 to enable Greece, at the end of its first full year of EEC membership, to unload a surplus of sultanas. Sales made at less than the minimum incur a levy of US\$150 (£114.50) a tonne.

Dried-fruit traders were dismayed when the MIP, which was supposed to have been temporary, began to look permanent last year with an increase of £35 a tonne. They

are more irked than ever now that a rise of £40 a tonne has been sprung on them.

An aspect of the adjustment that annoys Australia is that whereas the previous increase was accompanied by a period of grace for the trade to adapt to it, the latest one has "moved the goalpost" by being applied summarily, so that even fruit in ships on their way to Europe attract the full penalty from September 1.

Australia, which has had to

raise the price of its four Crown Sultanas, which make up the bulk of its offering, to £715 a tonne, is hit harder than other suppliers by the immediacy of the increase because it is six weeks from Europe by sea.

Although the MIP did not succeed in clearing the 1981 Greek surplus for which it was brought into being—about 70,000 tonnes of fruit are thought to be still rotting in that country's warehouses—it is

now biting to the extent that all of Greece's last crop has been sold leaving no carryover.

This prompts the question of why, if the reason for the measure was to dispose of an excess, it is not suspended now that its purpose has been achieved. It is being assumed that the MIF has become established as a means of ensuring that Greece, the only significant EEC dried fruit producer, disposed of not just surpluses that can be considered exceptional, but routinely of all the fruit it cares to produce.

Such a prospect has, however,

been recognised within Greece itself. Mr Costa Simitis, the Agriculture Minister, recently warned growers that quantities were exorbitant and that neither Greek nor European taxpayers would be able to bear further burdens.

Australia, which boasts of the

quality of its dried fruit, was heartened by the minister's

admission that British and German buyers had complained about the low quality of Greek sultanas and currants processing.

Hitherto this season, while non-Greek fruit has been prevented, on pain of the £150 levy, from being sold at prices below £64 a tonne, Greece has been offering sultanas at £555. Maintaining the MIP even after Greek sales have been completed, will presumably deter buyers from thinking that next year they could do better by waiting.

It might be argued that the MIF, which protects Greece, also helps other suppliers by bringing them higher prices, but by now it can be seen that such a premium—and even before the MIP Australia was used to enjoying one of £40–50 a tonne for her sultanas—does not make up for the loss of volume involved. Whereas Australia regularly sold Britain more than 20,000 tonnes of

sultanas a year and Greece sold more than the southern producer delivered in 1983 last year.

Greece's share of the market swelled to more than 24,000 tonnes.

Although British traders

are world leaders in dried fruit, last year's production of about 730,000 tonnes was well ahead of requirements, but such a surplus is really one of grapes, and that is related to the European wine lake. Some of this, released on to the American market, has caused a diversion of grapes from wine to raisins in California and aggravated the dried fruit problem.

There is a world surplus of

dried fruit, last year's production of about 730,000 tonnes was well ahead of requirements, but such a surplus is really one of

grapes, and that is related to the European wine lake. Some of this, released on to the American market, has caused a diversion of grapes from wine to raisins in California and aggravated the dried fruit problem.

There is a world surplus of

dried fruit, last year's production of about 730,000 tonnes was well ahead of requirements, but such a surplus is really one of

grapes, and that is related to the European wine lake. Some of this, released on to the American market, has caused a diversion of grapes from wine to raisins in California and aggravated the dried fruit problem.

There is a world surplus of

dried fruit, last year's production of about 730,000 tonnes was well ahead of requirements, but such a surplus is really one of

grapes, and that is related to the European wine lake. Some of this, released on to the American market, has caused a diversion of grapes from wine to raisins in California and aggravated the dried fruit problem.

There is a world surplus of

dried fruit, last year's production of about 730,000 tonnes was well ahead of requirements, but such a surplus is really one of

grapes, and that is related to the European wine lake. Some of this, released on to the American market, has caused a diversion of grapes from wine to raisins in California and aggravated the dried fruit problem.

There is a world surplus of

dried fruit, last year's production of about 730,000 tonnes was well ahead of requirements, but such a surplus is really one of

grapes, and that is related to the European wine lake. Some of this, released on to the American market, has caused a diversion of grapes from wine to raisins in California and aggravated the dried fruit problem.

There is a world surplus of

dried fruit, last year's production of about 730,000 tonnes was well ahead of requirements, but such a surplus is really one of

grapes, and that is related to the European wine lake. Some of this, released on to the American market, has caused a diversion of grapes from wine to raisins in California and aggravated the dried fruit problem.

There is a world surplus of

dried fruit, last year's production of about 730,000 tonnes was well ahead of requirements, but such a surplus is really one of

grapes, and that is related to the European wine lake. Some of this, released on to the American market, has caused a diversion of grapes from wine to raisins in California and aggravated the dried fruit problem.

There is a world surplus of

dried fruit, last year's production of about 730,000 tonnes was well ahead of requirements, but such a surplus is really one of

grapes, and that is related to the European wine lake. Some of this, released on to the American market, has caused a diversion of grapes from wine to raisins in California and aggravated the dried fruit problem.

There is a world surplus of

dried fruit, last year's production of about 730,000 tonnes was well ahead of requirements, but such a surplus is really one of

grapes, and that is related to the European wine lake. Some of this, released on to the American market, has caused a diversion of grapes from wine to raisins in California and aggravated the dried fruit problem.

There is a world surplus of

dried fruit, last year's production of about 730,000 tonnes was well ahead of requirements, but such a surplus is really one of

grapes, and that is related to the European wine lake. Some of this, released on to the American market, has caused a diversion of grapes from wine to raisins in California and aggravated the dried fruit problem.

There is a world surplus of

dried fruit, last year's production of about 730,000 tonnes was well ahead of requirements, but such a surplus is really one of

grapes, and that is related to the European wine lake. Some of this, released on to the American market, has caused a diversion of grapes from wine to raisins in California and aggravated the dried fruit problem.

There is a world surplus of

dried fruit, last year's production of about 730,000 tonnes was well ahead of requirements, but such a surplus is really one of

grapes, and that is related to the European wine lake. Some of this, released on to the American market, has caused a diversion of grapes from wine to raisins in California and aggravated the dried fruit problem.

There is a world surplus of

dried fruit, last year's production of about 730,000 tonnes was well ahead of requirements, but such a surplus is really one of

grapes, and that is related to the European wine lake. Some of this, released on to the American market, has caused a diversion of grapes from wine to raisins in California and aggravated the dried fruit problem.

There is a world surplus of

dried fruit, last year's production of about 730,000 tonnes was well ahead of requirements, but such a surplus is really one of

grapes, and that is related to the European wine lake. Some of this, released on to the American market, has caused a diversion of grapes from wine to raisins in California and aggravated the dried fruit problem.

There is a world surplus of

dried fruit, last year's production of about 730,000 tonnes was well ahead of requirements, but such a surplus is really one of

grapes, and that is related to the European wine lake. Some of this, released on to the American market, has caused a diversion of grapes from wine to raisins in California and aggravated the dried fruit problem

